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THE ECONOMY

Budget highlights

Finance Minister Donald MacDonald has introduced a $41.9 billion federal budget for the 1977-78 fiscal year, containing both tax incentives to encourage capital investment and some tax concessions to individual employees and low-income parents. In his March 31 budget speech to the Commons, he said the budget endeavoured to maintain the current underlying trend to lower inflation and also to encourage a steady and non-inflationary growth in the economy in order to reduce unemployment.

He said also that although inflation has subsided, it would be neither "feasible" nor "desirable" to start phasing out wage and profit controls at least until Oct. 14, 1977, unless both business and labour showed, in a coming series of consultations that they were prepared to support voluntary restraints.

For individual workers, the budget increases the employment expense tax deduction to a maximum $250 a year from the current $150. And for parents, an additional tax credit is provided of up to $50 for each dependent child under 18. The two changes, coupled with existing personal income tax deductions, will mean no federal income tax at all for two-children families earning under $7,360 a year or four-children families earning under $8,295.

For business, the investment tax credit which was to expire June 30 is extended for another three years and will include capital and operating expenditures on scientific research and development. The credit is to be increased to 7.5 per cent from 5 per cent in slow-growth regions and to 10 per cent in the slowest growth regions. But it remains at 5 per cent elsewhere.

Incentives for business and investment also include assistance for petroleum exploration, higher tax deductions for stockpiled goods and tax breaks for rail transportation: There will be an extra depletion allowance of two thirds for a Canadian oil and gas well costing more than $5 million to drill. The capital cost allowance for railway track and grading expenditures rises to 8 per cent from 4 per cent. And companies will be able to deduct 3 per cent of tangible movable property at the start of a fiscal year for profit calculation purposes.

Capital gains on sales of a business or farm will become tax exempt if the money is reinvested in a similar business. However, the rules governing Registered Retirement Savings Plans and Registered Home Ownership Savings Plans are being tightened to block loopholes.

Budgetary revenues are forecast at $34.7 billion in the 1977-78 fiscal year, up 6.6 per cent from the previous year, while the $41.9 billion in expenditures represents an increase of 6.9 per cent. Personal income taxes collected are expected to rise by 4.9 per cent to $15.6 billion and corporat income taxes by 10.6 per cent to $5.8 billion.

MacDonald anticipates slow economic growth this year — a 4 per cent real increase in the gross national product, and a 7 p cent inflation rate.

Reaction to the budget by business and labour differed greatly. Sam Hughes, executive director of the Canadian Chambe of Commerce, described it as "very prudent," saying it did a good job of walking the fine line between inflation and unemployment." The Chamber was "particularly gratified by the announcement that there will be more rigorous control of government spending." Hughes said als that the Chamber supported MacDonald's proposal to phase out the controls rather than end them abruptly. But Henry de Puyjalon, President of the Canadian Construction Association, described the budget as "disappointing...a safe middle-of the-road route...rather than the major overhaul that is required," and President Joe Morris of the Canadian Labour Congress said the budget's over-emphasis on investment incentives would do nothing to pick up the slack in th economy. Labour was also disap pointed "at the lack of a clear commitment concerning the date the government intends to abolis controls."

WORK STOPPAGES

1976 time loss

Despite the Oct. 14 National Day of Protest, Canada recorded less direct time loss from work stoppages due to strikes and

kouts in 1976 than it did in
75. The 1976 figure was
624,130 — including 830,000
n-days lost by workers involved
the National Day of Protest —
mpared with 10,908,810 the
evious year.

ere were 1,030 stoppages during
76, involving 1,582,631 workers,
t more than one half the workers
830,000 — were accounted for
the National Day of Protest. In
75, there were 1,171 stoppages
olving 503,443 workers.

relation to total estimated
rking time of non-agricultural
id workers, the 1976 time loss
s equivalent to 50 man-days per
000 man-days worked, down
m 53 the previous year.

December 1976, the Canada
partment of Labour recorded the
vest monthly figure for time lost
ce early in 1973 — 258,990 man-
ys from 120 work stoppages
olving 45,352 workers. The
vember 1976 figures were 129
ppages, involving 51,260
rkers and 491,380 man-days.

elve work stoppages involving
) or more workers accounted for
per cent of the workers involved
d 47 per cent of the duration in
n-days in December 1976.

ABOUR COSTS ND EARNINGS

nada's position 1964-74

terms of keeping down total
our costs, including fringe
nefits, Canadian manufacturers
proved their competitive posi-
n in world markets considerably
ring the 10 years ended in 1974,
British study indicates. At the
me time, Canadian workers in manufacturing made the lowest gains in real earnings of those in any member country of the Organization for Economic Co-operation and Development except the United States, Canada's principal trading partner.

G.F. Ray of the National Institute of Economic and Social Research analyzed data gathered by the International Labour Organization and the Swedish Employers' Confederation Research Department, to compile an index of total hourly labour costs, including "social charges" or fringe benefits borne by the employer, during the 10-year-period.

Based on the British hourly labour cost equalling 100, the Canadian index dropped by 6 points from 192 in 1964 to 186 in 1974. Canada had the second-highest index, behind the United States, at the start of the period, but the Canadian index had dropped to fourth place by 1974, behind Sweden, 208; the United States, 194; Norway, 189 and Denmark, 188. And Canada's hold on fourth place was somewhat precarious, since its index was just one point above fifth-place West Germany, with 185, and two points above The Netherlands, in sixth place at 184.

The increase in real earnings in Canadian manufacturing — relating hourly earnings to changes in the consumer price index — was 3.1 per cent during the period, while the U.S. increase was only 0.9 per cent. However, the Canadian and U.S. increases trailed behind all the other OECD countries where real increases ranged from 3.6 per cent in Sweden to 6.6 per cent in Italy. Britain's increase in real earnings was 4.1 per cent.

Ray's survey was published in the *National Institute Economic Review*. In it, he acknowledges, of course, that hourly labour costs "are only one component in the complex network of inputs, output, productivity, pricing policy, and many other factors, many of them unquantifiable, which eventually — and in combinations which are incalculable — lead to success or failure in the market."

WAGES

Canada — U.S. comparison

Statistics Canada's preliminary figures for November 1976 show average hourly earnings in manufacturing in Canada 10.7 per cent higher than the average reported in the U.S. — $5.98 against $5.34. However, caution is needed in interpreting the figures because they are not strictly comparable. The Canadian survey excludes firms employing fewer than 20 employees while the U.S. survey covers establishments of all sizes. The figures for both countries are gross earnings before taxation and unemployment insurance deductions, but exclude fringe benefits which are considered to be higher in the U.S. The Canadian average first surpassed the U.S. average in 1974. From November 1975 to November 1976 the Canadian average rose by 13.3 per cent compared with a 9.3 per cent increase in the U.S. average.

PRODUCTIVITY

Labour hoarding

Labour "hoarding — employers maintaining larger work forces than they really need — may be an important factor in Canada's relatively poor productivity record in

recent years, according to a study published in the *Bank of Canada Review.*

Larry Blain, a researcher for the Bank, notes that in five previous recessions or slowdowns that occurred since the early 1950s, employers were rather slow to adjust employment to the drop in production when it had been their experience after previous recoveries that capacity utilization reached very high levels and strains developed in the labour markets.

Two developments in the labour market indicate that labour hoarding "could indeed have been greater than usual" since early 1974, he observes. First, there was a much greater drop in the average work week in manufacturing than usually takes place during a recession — suggesting that hours were being adjusted rather than employment. Secondly, the rate of unemployment among males over 25 increased considerably less than that among women and young people of both sexes — which could be interpreted as "a reluctance to release experienced workers in what was forecast to be a mild recession."

He concedes that the evidence for labour hoarding is merely "circumstantial." However, "unfulfilled expectations offer possible grounds for thinking that it did occur." The economic performance in 1974 fell short of the consensus of published forecasts — 3.2 per cent growth instead of 5 per cent — "and business could thus have erred significantly in estimating its labour requirements through this period." And an unintended accumulation of labour could well have continued into the recovery "since the growth that occurred was, again, substantially below forecasts.

QUALITY OF WORKLIFE

Workers lukewarm to enrichment

To many workers, "job enrichment" programs appear suspect as a managerial initiative, according to Howard R. Smith of the University of Georgia's department of management. He also says such programs have a difficult time overcoming the hostility of lower-level supervisors to them.

Writing in *Personnel,* a periodical of the American Management Associations, he also says that management, in introducing job enrichment, frequently finds it hard to accept the workers as "bargaining partners" in developing programs. He also describes enrichment as a gift being offered to people long suspicious of gift horses.

Hence, to the employees enrichment may appear as a burden to be assumed in exchange for compensation, not valuable in itself. It may make work more interesting, but it may also make it harder. So, Smith concludes, many employees may prefer "life enrichment" — high wages, more time off, and even job changes.

Motivation profitable

A job enrichment program has produced savings of $1.63 million at the Air Logistics Centre at Hill Air Force Base in Ogden, Utah, according to *World of Work Report,* monthly periodical of Work in America Institute, a non-profit agency devoted to improving the quality of life in the workplace. The program, designed to combat worker boredom and inefficiency was developed by Dr. Frederick Herzberg, professor of management at the University of Utah, a was based on his theory that for job to be meaningful it must contain certain "motivators" tha meet the worker's need for psychological growth, especially achievement, recognition, respo sibility, advancement, and opportunity.

According to Herzberg, such mo vators are realized through the "ingredients of a good job" — direct feedback of performance results, a personal involvement with the work environment, a learning function, the opportuni for each person to schedule his own work, unique expertise, control over resources, direct communication, and personal accountability. The enrichment program is implemented through *direct changes in the work itself* which permit the motivational factors to emerge.

According to *World of Work Report,* the program's 28 project are generating dollar benefits in the form of reduced sick leave, lower personnel turnover, reduction in man hours, overtime and rework, and savings in cost of materials. One of the most successful of the projects involved the testing and repairing of navigational equipment on F-4 aircraft. Before the program, production line people repaired navigational systems on their assigned craft before flight testing. But any defects were subsequently analyzed and repaired by flight personnel. No mechanics are following their planes out of the hangar to the test flight and are trained in test flight analysis. In a matter of weeks, test flights were reduced by an average of one-half flight aircraft, at an estimated savings $85,000 within a few months.

ALTH & SAFETY

estos standards wanting

Oxford University study
gests that current British,
ted States and some Canadian
ndards of exposure of workers
sbestos are not stiff enough to
tect them from lung cancer.
wever, it will take from 15 to 20
rs to verify the findings, based
a mathematical analysis of new
rmation on dust levels in the
ish industry.

en Peto, one of the re-
rchers, says they predict that at
rently accepted levels of
osure, seven asbestos workers
very 100 who work a lifetime in
industry — or one in 14 — will
of cancer caused by inhaling
estos fibres.

current permitted standard in
h Britain and the U.S. is two
estos fibres over five microns
ength per cubic centimetre of
In Canada, the standard varies
province. In Ontario, it is two
es. In Quebec, where 80 per
t of Canada's asbestos is
ed, the current standard is
fibres and the government's
get is to have it reduced to five
1978.

B DESIGN

design at Air Canada

redesign can successfully
g together the social and tech-
al aspects of work for greater
ductivity, says Philip J.
artrand, a Canadian expert in
anizational behaviour; but it
st be a team effort involving
employees. Writing in *The Business Quarterly*, Chartrand describes two projects at Air Canada that support his contention.

One project concerned ramp crews at Dorval airport, Montreal, whose duties are to guide the plane to the appropriate gate; unload passengers and baggage; clean and service the aircraft; ensure that needed provisions are on board, and push the plane into takeoff position. As the work was structured, the crews had to move about the airport to the gates at which the planes were landing, carrying with them the needed equipment, including safety equipment. Moving was hazardous, especially on icy days, and there was "tremendous competition" at peak periods for the safety equipment each crew had to assemble — earmuffs to deaden the noise of the planes, and the fluorescent garments that enabled the crews to be seen easily.

"Once assembled, they would literally stand guard over it," Chartrand reports. "For example, it had been known that, if three of a crew went for a coffee break, they would leave the fourth crew member to guard the equipment. Obviously the system was not working well and this was reflected in some eight to 10 grievances daily, mostly on safety issues."

He established with the union that the problem was not just one of enforcing safety rules but a much more fundamental one of the technology involved in doing the job — "it was, in short, a socio-technical problem."

A team of both management and union members met several times, visited other airlines and received input from the ramp workers, and finally came up with the recommendation that the basic method of organizing the ramp operation be redesigned. "The team recommended that we use what is generally known in the industry as zone control," Chartrand writes. "Instead of bringing the men to the aircraft, the aircraft would be brought to the men." A specific team — of men, supervisors and equipment — was assigned to particular zones of the airport and was responsible for handling all flights in those zones.

The results of the changeover were positive: Work was done faster and while it was necessary to increase the number of direct employees, the number of supervisors was reduced. Reductions in fuel consumption were conservatively estimated at a saving of $80,000 a year, "which offset the increased manpower costs."

Perhaps equally important is the fact that the new system provides for a more realistic form of accountability: "If delays occur, which are the responsibility of the ramp people, we know why, because we can more readily locate a supervisor and his crews and, as a result, we can communicate to the passengers the cause and the expected length of a delay, which allows them to make alternative arrangements."

The second job-redesign project, which was equally successful was at the "honeycomb shop" in the maintenance branch. Honeycomb is a light, expensive aluminum fibreglass material used mainly on the floor, nose and wing tips of aircraft. It is difficult to work with and requires a great deal of skill to use it in maintenance work on planes.

Once again, the project team includes mechanics who work with the material. They studied four possible changes — to do nothing, to subcontract the work, to expand

facilities and to certify the shop, which would mean purchasing $150,000 worth of new equipment to bond the aluminum and fibreglass, but which also offered the possibility of contracting work from other airlines. After a review of the costs involved, Air Canada adopted their recommendation that the shop be certified. At the time Chartrand wrote his report, the new equipment was on order and he expected the improvements would include higher productivity and better working conditions, a 60-per-cent annual return on the $150,000 investment, and an ability to expand Air Canada's markets as well as those of all the other Canadian air carriers.

Chartrand observes that attempts at job redesign have traditionally been seen as a management responsibility in North America — "probably because we do not have the co-management arrangements which, to date, have been successful in Germany and Sweden." However, the Air Canada successes were made possible by "tremendous support" from its largest union, the Association of Machinists and Aerospace Workers. "They have accepted the idea that job redesign is a way of life, provided the workers are involved," he observes, noting that an addendum to the current collective agreement "confirms the union's commitment to the concept of job redesign."

EMPLOYMENT

On-the-job training

A proposal to resolve industry's acute shortage of skilled labour has been put forward by G.A. Paylor, personnel assistant at Canadian Industries Limited's agricultural chemical division. His solution, published in *The Canadian Personnel and Industrial Relations Journal*, would make co-operative college-industry training available to large numbers of young, able-bodied Canadians who are currently unemployed.

But "we will first have to overcome the traditional bias of the employer regarding students," Paylor says, not by inviting the employer to the school but by placing the student in the employer's environment. "Some areas have 'plant observation groups', students who are permitted to come to a company's place of business for a day or a week and observe. This may help the student to make up his mind about his future, but his exposure is exactly that of an observer, and does nothing toward his hiring prospects."

Under Paylor's proposal, applicants for trades training would be selected once a year by an application board which could include representatives of industry. "Using the co-op engineering plan in use in places like Waterloo University, the student would spend six months in the local community college and six months in industry, over a four-year period," he writes. A series of tests, combined with progress reports from industry would keep all concerned aware of the trainee's progress.

To overcome the problem of providing instructors, "it would be necessary for an allocation by: (1) either industry to supply suitably trained, full-time instructors from the work force to monitor training in plant; or (2) for a college-appointed instructor to work with the trainees on the job. The former seems the sounder approach."

As training continued, the trainee would become "not only plant oriented, but better able to demonstrate to the employer his ability to function as a craftsman," he contends. "With enough participating companies, the trainee would be able to circulate among at least four during his training, giving him a broader choice of employment, once trained. He would have demonstrated his abilities to the potential employer, making his job prospects better." In turn, industry would gain "from a higher standard of candidate and a wider selection, and be able to judge from a proven work record." Plant orientation "would be a simple matter."

Paylor also has a proposal for meeting the question of costs: "At present, money is disbursed to industry or the community colleges for training. Some revamping of the funding may have to take place, but since most of the existing machinery would accommodate a program such as this, little reorganization should be necessary. Industry could be expected to contribute on the basis of skills and the production of the trainee as he became progressively more productive. A floating work force of this kind presented to industry during shut-down and re-fit times, would be welcomed since it could ease the work load at such times."

He proposes that the trainee be offered financial assistance in the early stages "but as he becomes more productive his value to the company should be accepted by the company and this would provide him with his own subsistence on a gradual and escalating scale."

And at the end of his training "the graduate should have the same freedom to choose his employer as the employer has to choose his employee." lg

outh unemployment: n explosive situation

Roy LaBerge

adian policy makers have been n this dire warning: Severe mployment and underemploy- nt of youth have become nic problems of our society. If resolved, they will become plosive" — economically, tically and socially.

t admonition comes from no cal youth group but from the adian Council on Social elopment, a respected non- fit organization supported in e measure by grants from the eral and provincial govern- nts. The Council has been ising governments on social cy issues since it was founded 920 as the Canadian Council Child Welfare. Its board of ernors is made up of repre- tatives of business, govern- nt, religion, education, anized labour, social agencies professional organizations.

Council deplores "the hap- ard manner in which federal, vincial and local governments rvene with the problem," as l as the "prevailing public tude, which ranges from one of fference and apathy to blaming th themselves."

unemployment rate for young ple has traditionally been ner than for the other age ups in Canada, but the erence has been increasing in nt years. In 1953 the rate for 15-24 year group was 1.8 times unemployment rate for people nd over. By 1964 it was 2.1 es and in 1975 and 1976 roximately 2.5 times.

Roy LaBerge, a journalist and former editor of Canadian Labour, *teaches social science at Algonquin College, Ottawa.*

Youth unemployment and underemployment, like so many other situations aggravated by the current economic slowdown, is not a uniquely Canadian phenomenon. The International Labour Organization estimates that there are 7 million unemployed people under 25 in the 24 countries of the Organization for Economic Co-operation and Development. "Even if the recession miraculously disappeared overnight," an ILO study concludes, "there would still be large numbers of youths without jobs walking the streets, with little hope that something will turn up."

The OECD agrees that the recession has merely accentuated a chronic problem. "The situation threatens to continue even when employment picks up again, for firms will tend to give preference to experienced personnel in rehiring," reports the *OECD Observer.*

In the United States, one out of five teen-agers is unemployed, and for blacks, the proportion is one out of three, according to the American Federation of Labor-Congress of Industrial Organizations. "This breeds frustration and often leads to anti-social activity," warns a February 28 statement adopted by the AFL-CIO executive council.

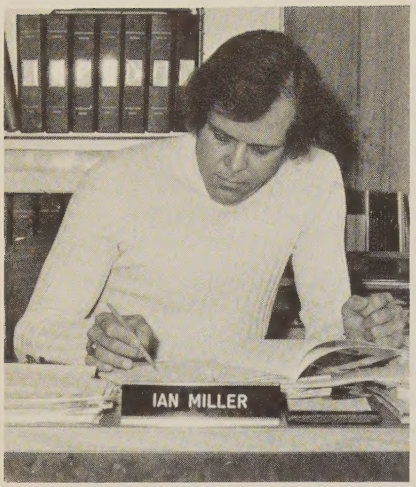
"Young people are actually under-represented among unemployment insurance recipients"

In Canada, the Council on Social Development has put forward several proposals, including a full-employment policy and a national youth agency to focus on long-term solutions. But it is worried that initiatives may be "discarded or held in abeyance because of general uncertainties about constitutional division of responsibility."

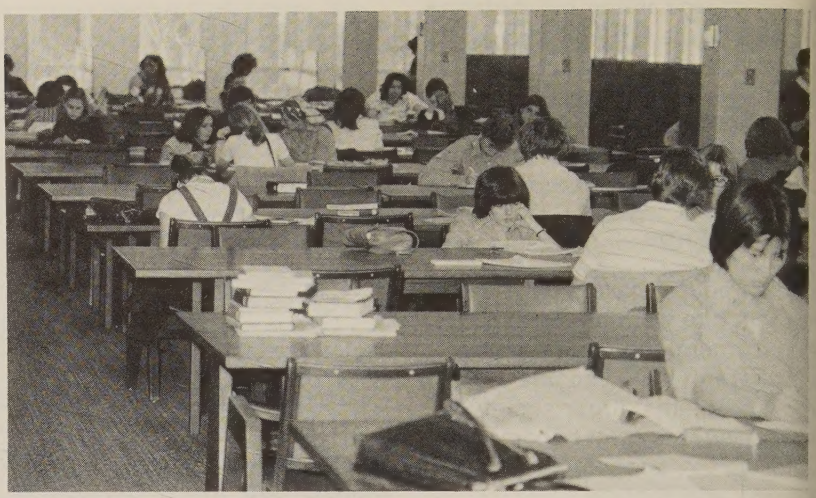
The concern of the Council's board of governors is expressed in a background paper issued March 15 with a source book on youth and employment prepared by Kevin Collins, the Council's program director for income security.

Their release followed a two-day meeting in January of 60 persons from business, government, organized labour, education, social welfare and youth organizations. The Council brought them together to "generate a dialogue" among people and organizations concerned with youth employment "who do not interact on a regular basis." Another objective was to help the Council define issues and "identify bottlenecks" to action.

The participants agreed that information on the problem of youth and employment was lacking because it tended to be



Ian Miller, manager, Manpower Centre, Carleton University: "We need more research, better projections."



The working poor of tomorrow?

buried in more general information "such as unemployment rate data for the total labour force." They also agreed that the forum for debating social policy issues should be expanded. Hence the Council released the source book and the board of governors' statement hoping they would "accelerate an increase in public and political will with regard to youth and unemployment."

The day they were released, Statistics Canada issued its unemployment figures for February — a record high of 932,000 officially reported as unemployed; a seasonally adjusted unemployment rate of 7.9 per cent of the work force, and a rate of 14.5 per cent for males aged 15-24 in the work force, and of 14.2 per cent for females 15-24. In March, unemployment climbed to 8.1 per cent of the work force, 14.5 per cent for the 15-24 age group.

But the official statistics don't tell the whole story, the Council statement says. The Labour Force Survey uses the criterion of "actively seeking work" to determine a person's status as unemployed. But this eliminates "large numbers of young people who may need jobs and are not actively looking for them," the Council protests. Another criticism is that the data do not incorporate the concept of "underemployment" — the situation "where a job is held which falls short of wants or ability."

...the data do not incorporate the concept of "underemployment"

The Council sees a much more important indicator of the employment-related "malaise" besetting youth in the incidence of young people in full-time jobs that are "far below their capabilities and not part of any career ladder." It finds at least an indication of the extent of that problem in a 1973-74 survey by the department of manpower and immigration which indicated that almost three-quarters of workers aged 16 to 19 were not in "career jobs" but wanted to be.

The Council acknowledges that some people might discount that finding on the grounds that young people have "unrealistic expectations and exaggerated ideas about their abilities." Nevertheless, it was "particularly disturbing" that only "a minority of young people felt strongly that they *could* get a better job than the one they had."

Spokesmen for the department of manpower and immigration have maintained that there is no acceptable way to measure underemployment, but a proposed measurement may be forthcoming from a study now underway at Statistics Canada. A report in the Toronto daily *Globe and Mail,* which, the newspaper says, was based on a 302-page draft of the study, assumes that a university graduate was underemployed if he or she made less than $7,000 a year in 1974 or less than $8,000 in 1975. On that basis, according to the newspaper report, 11.9 per cent of 1974 graduates were still unemployed four months after graduation and another 17 per cent were underemployed. A year after graduation, 7.2 per cent of the same class were still unemployed and a further 11 per cent still underemployed.

Underemployed intelligentsia

An article in the U.S. quarterly *Dissent* says the career frustrations of a growing army of unemployed and underemployed college and university graduates are producing a "central dynamic for social discontent."

One of the major ironies of our time is that higher education raises the aspirations of millions while the job market frustrates them, write Paul Blumberg and James M. Murtha. If recent trends continue, a college education, which for decades has been part of the American [*and Canadian*] dream, may lose its appeal."

The process may already be under way: "While the proportion of college-age men has increased steadily in recent decades, the early 1970s witnessed an unprecedented decline in the proportion of such men pursuing higher education — from 45 per cent of 18 and 19 year olds in 1970 to 33 per cent in 1975."

The authors say poor employment prospects may lead to low morale among faculty and students, and that the U.S. may come to share a "paramount feature" of underdeveloped countries such as India and Mexico — "the presence of a drifting, aimless, underemployed intelligentsia."

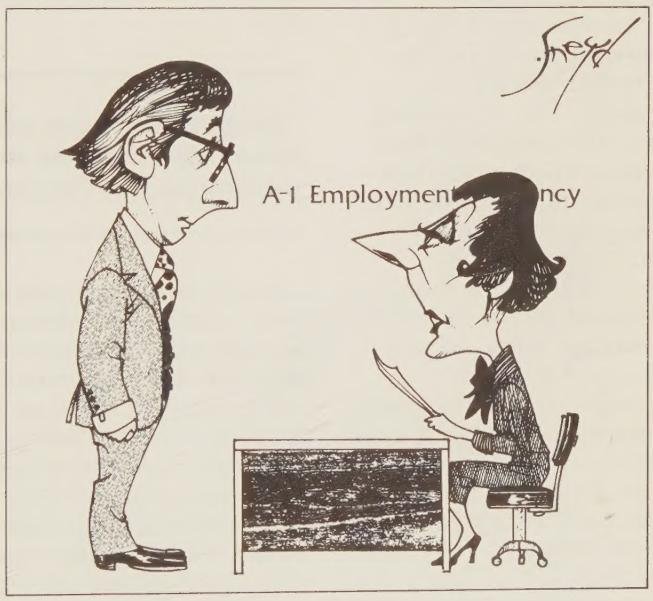
They say the evidence accumulating in the last few years leads to these "inescapable" conclusions:

The tremendous growth of college graduates since the 1950s has culminated in a labour market composed of increasing numbers of graduates with radically dimished job opportunities.

- Those sectors of the economy that have traditionally employed large numbers of college graduates — such as high-technology manufacturing, education and the other professions, federal public administration, finance and insurance — have not been expanding adequately to absorb the college-educated mass.

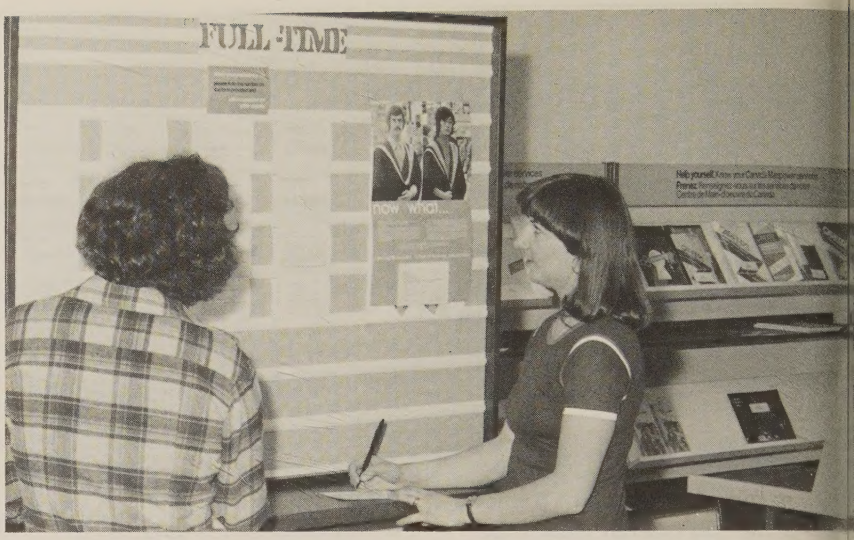
- The collapse of the college job market, especially since the beginning of this decade, is reflected in declining opportunities for professional and managerial positions, a great rise in the proportion of graduates working at clerical and sales jobs, a decline in the real starting salaries of college graduates, narrowing of the traditional income differential between high-school and college graduates, and the growth of substantial unemployment among recent graduates.

The authors say the crucial question is not "whether" massive underemployment of graduates can be avoided but rather "where the blame will be placed," and that many graduates may turn their blame outwards" to what may be vaguely called 'the system'." lg



"There's a vacancy for a dish washing machine operator. Do you have a degree in electrical engineering?"

Carol Goar, a staff writer for *The Citizen,* an Ottawa daily, had no difficulty finding graduates whom she considered underemployed. Her interview subjects in a March 5 news feature, entitled "That's the waste of under-employment," included a taxi driver who kept his degree on the dashboard, a translator working as an information clerk in an insurance company's claims office, a qualified jet pilot driving a taxi, and a doctoral graduate in chemistry doing post-graduate study because he could not get a job and had "given up hope of ever becoming a professor at a Canadian university."



Searching for a job

The Council's board of governors challenges several "myths" about youth and their employment, and calls on governments and the public to expose them "to the rigours of objective critical examination." Some myths, and the Council's refutation of them:

• *The young today are over-educated.* "While average educational attainment has increased compared to that achieved by previous generations, a disturbing proportion of the young still have low achievement. The latest data available to debate this point in an objective way are from the 1971 census. The majority of the population 15-24 at that time was not attending school full time. For the 15-19 year age group, almost 60 per cent out of full-time schooling had no more than grade 10. The comparable ratio for the 20-24 year olds was almost 40 per cent. Nor are these educational deficiencies made up through training — 93 per cent and 84 per cent of the 15-19 year olds and 20-24 year olds respectively had no other training."

• *Youth unemployment is short-term compared to unemployment of the rest of the population.* "Again, however, the data are not strongly supportive. In 1975, for example, while 27 per cent of all the unemployed had been unemployed for 14 weeks or more, the proportion for young people was only slightly lower at 23 per cent.

"unemployed young people today may simply be the working poor of tomorrow"

• *Much youth unemployment is really 'paid leisure' because financial support is available from parents or unemployment insurance.* "Young people are actually under-represented among unemployment insurance recipients when compared with their share of total unemployment. There is a simple reason for this. Many of the young unemployed are first-time job seekers with no insurance credits. Moreover, in view of current and prospective slow growth in family income generally, parents may be less willing and able to support unemployed young family members. Regardless, both arguments ignore the point that dependence on either source runs counter to this age group's strong desire for independence."

• *Unemployment among young people is natural and positive — it represents "healthy experimentation" or "paying one's dues."* "With regard to the first, there is an onus in showing why one cannot appreciate a good job until one has experienced a series of bad jobs. The second has a more moralistic tone, implying that one should not get a good job until one has gone through a series of bad jobs."

• *The problem cannot have become more serious in the 1970s because young people are less volatile and demonstrative than they were in the 1960s.* "We must question how representative of young people our images of the 1960s are. Visible forms of protest such as campus revolt were concentrated among young people from upper-income families. For the silent majority of youth — from middle and lower income

nilies — behaviour has not anged, although economic spects and job markets have eriorated."

he dynamics of demographic ange will drastically reduce the blem as the population ages d young people become less portant numerically. "Even in a ict numerical sense, this is an r-simplification. While the 14-19 e group is declining in numbers, 20-24 age group will continue grow into the 1980s. Two more damental objections to this nce can be made. Young people l grow older, but a pattern of experience today will be nsmitted into the future — employed young people today y simply be the working poor of norrow. In addition, there are no surances that the age of labour

"Without job opportunities, the best training and counselling programs will be futile"

scarcity that is supposed to emerge in the 1980s will ever arrive. Recent experience with the 'oil crisis,' for example, should inject a greater degree of humility into economic projections. Finally, even if over-all employment conditions improve, the assumption that young people will benefit commensurately is dubious. The unemployment rate for young people has deteriorated for some time relative to older persons, and may continue to do so."

In their statement, the Council's governors ask that highest priority be given to a full-employment strategy for Canada. "Without job opportunities, the best training and counselling programs will be futile," the statement argues. Moreover, lines of least resistance — such as efforts to lower young people's expectations, or compulsory retirement of older workers to help the younger workers — are likely to be alienating and divisive."

The council wants more resources devoted to finding long-term solutions, and a national youth agency "bringing together input from the manpower and education systems, industry, labour and young people themselves," the focus to be on "long-term and structural" solutions.

And it is worried about the "back

A Statistics Canada study, released early in May, paints a gloomy picture of future job prospects for post-secondary graduates. "The labour market for many post-secondary graduates does not appear promising for the next 10 to 15 years as their numbers continue to grow until the mid 1980s," the study notes. "Thereafter, new graduates may be competing with graduates of previous years to improve their position." It could be 1990 before the over supply situation disappears.

While the prospects are expected to vary from discipline to discipline, "job seeking is likely to be troublesome for graduates of general disciplines that do not prepare students for a specific career."

Statistics Canada says persons with post-secondary education "could occupy jobs that require less formal education. By accepting such jobs, they could displace persons with lower levels of schooling."

Among the possible consequences:

- a narrowing of the income gap between graduates and non graduates;
- a closer linkage of some post-secondary education to the labour market;
- a reduction in public aid to higher education;
- greater emphasis on the traditional role of higher education as a means of intellectual development.

The study asks whether the gap between job expectations and opportunities will result in "radicalization". lg

Toronto Star Syndicate

"Looks like it's going to cost more than ever to learn to be unemployed."

to basics" movement in education. It may be based on "false perceptions of students' basic skills," and, if pursued over-zealously "may accelerate the drop-out rate of the most disadvantaged students."

The Council recommends closer integration between the world of education and the world of work, but recognizes that the "insecurity" of the educational system in a period of declining enrolment may be a stumbling block to this. It expresses concern about the "inadequate" availability of counselling services, and says the answer need not be more professional counsellors in the schools but "new efforts that recognize the students' family context, for example, through public television."

Occupational forecasts should be "de-politicized and de-mystified. In terms of the former, current forecasts of the department of manpower and immigration are based on a 'labour scarcity by the 1980s' assumption that may never materialize. With regard to the latter, the department's Canadian Occupational Forecasting Program has a format that is difficult for teachers and counsellors to understand, let alone young people."

Although the Council appeals for "full employment strategies," its proposals for employing young people are less specific than those of either the ILO or the AFL-CIO. However, those specifics may be part of "further work in this area" and a "detailed policy statement" which the Council promises to issue later.

The AFL-CIO proposed $30 billion in direct job-creation programs, including an expansion of federal youth programs such as the Job Corps and the Neighbourhood Youth Corps. This, it said, would provide directly about two million jobs "and hundreds of thousands of additional jobs as the purchasing power they create spreads through the economy." The AFL-CIO also promised to "work with the secretary of labor to seek new programs to help solve the structural unemployment problems of young people."

Occupational forecasts should be "de-politicized and de-mystified"

The ILO study also proposed direct employment measures, including the creation of small cottage industries, especially in rural areas. But it called also for a change in attitude by employers, complaining that they frequently reserve particularly dirty or monotonous tasks for young workers. This, in turn, results in disenchantment among young people. They enter employment hoping to play a full, adult role, but find that "older workers tend to guard their preserve jealously." The results, says the ILO, are "apathy, higher absenteeism and a tendency to switch from job to job, with no real professional interest."

"If a major proportion of the young find themselves incapable of accepting conditions of life and work offered by society, it is these conditions which should be questioned, not the attitude of youth," the ILO report commented.

A call for a Canadian direct-job-creation program has been put forward in a column by Anthony Westell, a writer for *The Toronto Star*. He proposes two steps to promoting full employment without inflation. First, the government would "seek a deal with the unions: full employment in return for wage restraint." The second step would be to create more public-service jobs. This, Westell says, would reduce the need to over-stimulate the private sector.

(U.S. research suggests that when the private sector is stimulated to the point that all the workers considered less desirable — women and youth — are employed, an excessive demand is automatically created for prime workers, thus pushing up wages and stimulating inflation.)

"It is commonly said that jobs in the public service are not real work — that they create costs rather than produce new wealth," Westell writes. "But this is not necessarily so. The police are a vital public service and we need more of them; the armed services are short of manpower to carry out their assigned tasks; the postal service can be improved, to cite only a few examples."

Westell agrees that this won't be easy, but "it's probably the only way, at least in the short term, to soak up unemployment without placing an undue strain on the economy."

What about the cost? He notes: "The unemployed have to be supported somehow if they are not to starve, and paying them wages is surely preferable to paying social security benefits."

Direct job creation may not be "the long-term and structural solutions" the Council says are needed. But as an interim measure, it may at least postpone the economic, political and social explosion that may result from the continuing unemployment and underemployment of hundreds of thousands of educated and frustrated young Canadians. lg

abour cost and employee income

Frank R. Anton

e notion that the cost of labour ployed in the production pro- ss should be classified in the ort run as a variable cost is plicit in classical economic ory. Such costs were assumed vary directly with hours worked l the volume of production. ed costs, on the other hand, re those that were assumed to invariant regardless of the ume of output produced but t could change in amount over e due to price or market ctuations.

ere is growing recognition that tain costs incurred in the hiring d training of workers and in the n-wage benefits paid to them ould be formally differentiated m direct wage payments. While grouping of wage and non- ge payments under one heading y be convenient for accounting rposes, economists argue that placing of certain short-run our costs into an arbitrary iable category can be mis- ding for decision making. It is refore proposed that establish- nts should clearly separate our cost and employee income o 'variable' or 'fixed' since a wing proportion of production sts now fall in the latter tegory and thus represent a kind fixed cost rather than a variable st to employers.

rkers are said to possess a gree of fixity' in an establish- nt (depending on the proportion 'fixed' costs in their income) t accordingly influences ployers' hiring decisions and in n the short-run demand for the vices of different types of our. If this assertion is in fact

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correct, then implicit in it are a number of important and controversial questions such as what 'best' approach employers should follow in financing on-the-job training? Are overtime, layoff and termination practices in need of revision? Are government-sponsored manpower and training programs likely to benefit private establishments more than the individuals (and society) they were designed to help?

Fixed costs as they relate to the use of labour's services may be defined as those that vary less than proportionately with hours worked. They include turnover costs and certain non-wage benefits. Turnover costs are typically those involved in the hiring, training and severance of workers. Included in these are advertising, interviewing and processing expenses, as well as the cost, where applicable, of termination interviews and severance payments. Since more highly skilled jobs ordinarily require greater training and are usually associated with higher interviewing and recruiting costs, such costs will tend to rise with skill levels.

There is growing recognition that certain costs incurred in the hiring and training of workers and in the non-wage benefits paid to them should be formally differentiated from direct wage payments

Similarly non-wage benefits tend to increase with qualifications. Such benefits are direct (or indirect) income supplements over and above normal labour compensation. When all these costs are calculated as dollar payments per employee, most of them may be considered 'fixed' because their total value is not related to hours worked.

The variable cost of labour consists of direct wage payments, still the largest component of labour costs of production. But with the continuing rise of non-wage benefits as a proportion of total employee compensation, and the growing significance of 'fixed' turnover costs (including absenteeism), there is a need to analyze and reconsider the economic and institutional implications of these elements, not only because of their effects on the short-run demand for labour but also on conventional thinking regarding tax-supported manpower policies. In an attempt to shed light on this controversy, our study sought to observe labour market behaviour in Canada and to consider the implications of the above assertions. We raised such questions as:

- Why does total employee compensation sometimes differ among workers with similar skills?
- What criteria, if any, influence workers' choice of non-wage benefits over direct wages and vice versa?
- Why do turnover and unemployment rates sometimes differ quite substantially among certain categories of workers?

• In the absence of collective agreements, why are some employees within the same firm subject to different layoff and recall decisions, or even selected for overtime in a discriminatory manner?

Although often hindered by imprecise and inadequate data, results lend support to the view that certain groups of workers in the Canadian labour force do indeed appear to have a higher 'degree of fixity' (and therefore greater job security) than others because of the fact that a higher proportion of their total compensation relative to other groups of workers falls into the 'fixed' rather than the 'variable' category. And while common sense would lead most observers to this conclusion, its implications are less obvious and controversial and may well require some fresh thinking on several aspects of private and public employment policies.

It is not surprising that differences in unemployment and turnover rates among different groups of workers in Canada can be attributed in part to differences in 'degrees of fixity' based on labour costs and total income in different industries. This observation has long been noted for production and non-production labour — the most obvious case of two groups that statistically at any rate are considered to embody different degrees of fixity. There is also some evidence to suggest that the magnitude and types of non-wage benefits awarded to employees depend on this degree of fixity in the establishment. Of course numerous intervening variables such as government legislation and union settlements must be recognized as having a significant impact on short-run employer behaviour. For analytical purposes, these factors were considered as

Non-wage benefits now account for more than 30 per cent of gross payroll costs in Canadian manufacturing

'setting the stage' for improved non-wage (fixed-cost) benefits.

The magnitude of non-wage benefits paid in both the private and public sectors in Canada emphasizes the importance of understanding the nature of these benefits particularly those that may actually be considered 'fixed', since they are likely to grow in the years to come in relation to total compensation.

Forty-five years ago total labour compensation in the private sector consisted almost entirely of wages paid for time worked or units produced. Today's workers receive substantial supplementary labour income representing significant production costs. Non-wage benefits now account for more than 30 per cent of gross payroll costs in Canadian manufacturing. This shift in compensation began during the 1930s, as the economic upheaval of the Depression prompted both government and employers to recognize that the individual worker could no longer be expected to carry the full burden of providing security for himself and his dependants.

Stimulated by wage controls and labour shortages during World War II, non-wage benefits have grown exponentially, so that even after allowing for inflation, workers in all segments of the economy enjoy two and a half times the benefits received by their counterparts of

"A 'COST OF EXISTING' RAISE WOULD BE MORE ACCURATE, AS YOU COULD HARDLY CALL WHAT I DO 'LIVING' "

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nada lends support to the
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ajor role in strengthening
nployee preference for non-wage benefits. The annual average rates of increase in fringe benefits, relative to the increase in average dollar earnings tend to be higher in establishments where a substantial proportion of the workers are organized. Non-unionized workers tend to fare less well than their unionized colleagues, perhaps because they lack information regarding the 'real' value of such benefits to them, and/or because employers are indifferent to employee needs when not subject to the pressure of union negotiators at the collective bargaining table.

In recent years, turnover costs, one of the largest components of fixed labour costs in Canada have risen significantly. This rise may be due in part to the greater importance of on-the-job training resulting from the relative decrease in job vacancies for unskilled or semi-skilled workers. Establishments using similar equipment may have jobs that require common skills and tasks but others may have idiosyncracies in individual pieces of equipment, in the particular combination of tasks, in plant layout, and in operating procedures that can differentiate jobs to such an extent that despite the apparent commonality, such jobs become 'specific' to each firm. Where this occurs, each establishment, in a sense, foregoes access to an external supply of trained labour and must therefore train its own. For the firm to remain viable such training may have to be undertaken on a continuous basis, particularly if turnover rates are high. Disturbances to tasks or task arrangements caused by technical innovations or factor price changes are inevitable. The point here is that on-the-job training automatically increases an employer's potential turnover costs as the work force becomes more skilled and as its average degree of fixity increases.

The fixed-labour-cost hypothesis recognizes that in providing specific training, employers run the risk of losing some of their investment in 'human capital' if workers should leave before training costs are fully recovered in the form of increased output. The premature loss of skilled employees is comparable to a capital loss. To discourage quits, firms may therefore offer wage premiums — and attractive non-wage benefits — to trained labour (i.e., employees with high degrees of fixity). Having acquired skills not readily transferable to other firms, workers have a vested interest in remaining with their employers. And if they themselves finance part of the costs of training (by accepting below-normal wages during the training period), their ties to the initial employer are further strengthened. Some see evidence for these assertions in the pay differentials

...on-the-job training automatically increases an employer's potential turnover costs...

between production and non-production workers and by assuming that the latter are more highly skilled than the former, with higher recruiting and training costs.

Comparison of production and non-production workers' earnings in Canada indicates that the latter's earnings are indeed higher and their unemployment rates significantly lower. The assumption is that firms are reluctant to lay off employees with high degrees of fixity during temporary business recessions whereas they do lay off, or discharge, workers who are 'less specific'. For the economy as a whole, industries employing a high proportion of highly skilled workers (identified

by their average relative wage rate) have lower overall turnover and unemployment rates than those employing unskilled or semi-skilled labour. The wage premiums offered to more highly skilled labour can be a straight-time pay increase and/or may consist of non-wage benefits.

Logically, if employers have the discretion, it would be to their advantage to pay for part of the enhanced productivity of their specifically trained labour with deferred compensation such as supplementary pension and welfare-type benefits that increase in value with workers' tenure. The trade-in value of the benefits offered may be reduced (or even lost) should workers quit, and thus serve to reduce turnover. 'Discretionary' benefits of this type are more likely to fall into the fixed-labour-cost class inasmuch as they are expenses to the firm over the employment period. Moreover, they are likely to rise with the increase in the length of tenure. If this view is correct, then not only will there be skill-related differences in total compensation but the discretionary component of the non-wage benefit segment will tend to be higher and to be synchronized with skill levels where employers use these tactics to reduce turnover among their skilled workers.

The success of such tactics in reducing turnover is hard to ascertain but the widespread practice of linking discretionary benefits to length of service in both the private and public sectors suggests that it is not transitory but a strategy based on sound managerial principles. There is empirical evidence to support the observation that turnover rates in high-skill industries or enterprises are significantly lower than in those that employ a relatively unskilled work force.

"I've just received my tax rebate. Can I buy you a cup of coffee?"

Conceptually, many non-wage benefits are difficult to classify for cost accounting purposes into their appropriate 'fixed' or 'variable' slots. For the most part, employers appear to apportion at their own discretion the costs of non-mandatory benefits such as pay for time not worked, private pension and welfare supplements and non-cash benefit outlays. As a consequence, the onus may rest with interested parties to decide if the benefits constitute fixed or variable employment costs. Canada Pension Plan, Unemployment Insurance and Workmen's Compensation contributions are legally required and their classification is unequivocal since the manner of costing is standardized. But this is not so with many other non-wage benefits. Before such costs can be used for analytical purposes there is a need for consistency.

...turnover rates in high-skill industries are significantly lower than in those that employ a relatively unskilled work force

In the absence of collective agreements and constraints imposed by seniority clauses, employers will in the event of layoffs, tend to discriminate in favour of those employees in whom they have 'invested' considerable time and money to recruit and train. The intent here is to amortize these investment costs over the longest feasible work period by keeping turnover to a minimum. The greater the investment in employees the more valuable are they to the establishment. Thus it is reasonable to expect that such workers will exhibit lower average unemployment rates during downswings in economic activity when other groups with lower degrees of fixity are laid off. The evidence for Canada appears to support this view: average unemployment rates among labourers and other unskilled workers are consistently greater than for craftsmen, or for office and professional staff. The U.S. labor force exhibits a similar

tern of unemployment. As busi-
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rates: schooling and indecision
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to find that younger members
the labour force are the first to
fired and the last to be hired
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...in the event of layoffs, employers will tend to discriminate in favour of those employees in whom they have 'invested' considerable time and money to recruit and train

ficiary? Paucity of research into these issues (primarily because of lack of data) does not permit even tentative answers to these important questions although some economists contend that if workers who exhibit high turnover and unemployment rates were required to co-finance the costs of their on-the-job training (by foregoing earnings) the chances of reduced turnover and stabler employment would be enhanced. Bearing part of training costs would, it is claimed, signal employee willingness to stay with the firm to capture some of the fruits of their own investment. Other researchers assert that this opinion is erroneous and argue that turnover rates can be reduced simply by offering "an increasing wage profile while maintaining a constant present value of earnings." Whatever the correct answer, it will have to wait for improved statistics.

One important implication stemming from the above comments involves overtime decisions and whether the prohibition of overtime would help create more jobs. Both theory and practice suggest that when fixed employment costs in the form of training and certain non-wage benefits are high relative to overtime pay premiums, it is less costly for the employer to pay overtime (when a temporary increase in output is needed) than to hire additional labour. In addition, since the size of the fixed employment costs in all probability will be positively related to skill level, it follows that high-skill occupations are likely to receive more overtime. Furthermore, when the duration of what began as a temporary increase in demand is uncertain, the time lag between meeting the increased demand by working overtime and the decision to hire more labour is longer the more highly skilled are the workers involved. This is to be expected because recruiting, hiring and training costs are greater.

Because of frequent proposals to legislate against overtime in the belief that such a policy would reduce unemployment, many studies have been undertaken to investigate the circumstances affecting the decision to pay overtime, rather than hire additional employees. Evidence from the U.S.

Married males and females exhibit lower turnover rates than single persons

and elsewhere indicates that overtime hours and skill level are indeed positively related. But overtime data for Canada are not available by occupational groups or aggregate levels, thus a detailed examination of the overtime-employment relationship cannot be undertaken.

Regarding the effect of non-wage benefits on the decision to rely on overtime rather than to expand employment, U.S. studies show that as the ratio of non-wage benefits relative to the overtime wage rate increases, employers will substitute overtime for new hirings. It may be speculated that Canadian employers will also tend to follow a similar approach even though at present, no data are available to show whether this is indeed the case.

The concept of the degrees of

fixity of employment recognizes that trained incumbent employees are — in common with other assets — valuable resources to their employers, and that to maximize profits their turnover must be kept to a minimum. Recruiting and training programs are time-consuming, with costs varying commensurately with the skill levels required. Short-run wage and employment policies based on the rather unrealistic postulates of a fairly local labour market area containing a homogeneous and fixed pool of labour from which manpower may be drawn are too simplistic and in need of revision in light of the above analyses. Firm-specific labour possesses various degrees of fixity. Substantial pockets of labour, including many of the unemployed young, become, in a sense, 'external' to the firm and imperfect substitutes for the 'specifically' skilled persons the firm already employs. Thus the convenient and traditional notion of an 'anonymous and homogeneous' short-run supply of workers is no longer appropriate.

Related to the above observation of contemporary labour market behaviour in an increasingly technologically oriented society is the growing awareness from employers' viewpoints that voluntary labour mobility may no longer be optimally efficient. With increasing fixed costs of employment, it appears that a divergence of views has already arisen between employers on the one hand and policy makers on the other as to the benefits of encouraging voluntary labour movement. The loss of trained workers is unquestionably costly to employers. In the interest of stability, some employers now regard a decrease in mobility as the proper adjustment to growing stocks of human capital within the economy. The dilemma lies in formulating labour market and manpower policies that will seek to reconcile these views with those that equate mobility with efficiency; but until such time as non-wage benefits are fully portable there is little hope of success here.

...high-skill occupations are likely to receive more overtime

Some contend that the recent proliferation of tenure-related fringe benefits were designed by employers to 'tie' trained labour to them and that these, in effect, have 'chained' workers to their jobs because they can no longer afford to quit. In a similar vein, others argue that as more and more firms hire workers into a limited number of entry jobs, and then rely upon training and promotion to fill the majority of remaining positions, workers are held captive by the prospects of advancement. Interesting as these assertions may be, they appear more in the realm of value judgements not subject to empirical testing. Yet there is much that is subjective in the field of labour-market behaviour, which when related to, say, the observable fact of substantial rises in non-wage benefits deserves attention.

Because it is unlikely that firms can make economically sound decisions without precise and accurate knowledge of employee costs, and because researchers are handicapped without the appropriate data, the need for improved non-wage benefit and turnover cost accounting in Canada (and other countries) cannot be over-emphasized. Among traditional accountants, capital and equipment are unquestioned in their roles as necessary and fundamental assets, yet in spite of the important function that labour performs to translate these fixed assets into effective earning power, workers still tend to be considered 'variable' cost items rather than 'assets' of equivalent importance. The essential point is, that entrepreneural decisions based on this misconception may be positively misleading for those directly involved as well as for society. When recruiting costs and particularly training expenditures required to make employees efficient and productive are ignored as valid 'front end' investments, erroneous decision-making can result. Errors are compounded when the costs of certain non-wage benefits are mis-classified.

If more accountants were to extend their framework into human resource accounting (HRA), the realization of accurate turnover figures would be closer. Strong justification exists for assigning asset or at least quasi-asset status to labour and for treating at least some of its associated fixed or quasi-fixed costs as 'investment'. To do so would not be to dehumanize labour but rather to recognize by proper actuarial practice that it is the most valuable resource we possess. lg

The foregoing was condensed from a study financed, in part, under Labour Canada's university research program.

British worker directors — the Bullock report

y John Bank

Vorker directors may be on the ay for Britain. The battle began in arnest in late January with the ublication of an explosive special overnment report proposing the ost radical plan in Europe for orkers' participation.

he report of the Committee of quiry on Industrial Democracy, ith Lord Bullock as chairman, alls for an equal say for workers the running of private ompanies. Its proposals would xtend the power of trade unions y restructuring the boards of all rivate companies with 2,000 or ore employees, including sub-diaries of foreign-based multi-ationals (about 700 companies nd seven million workers out of a otal labour force of 24 million). horthand for the proposal is the gebraic formula 2X + Y. On a ngle-tier board, employee presentatives and shareholder presentatives would have parity - an equal number of seats ence the 2X). Together they hoose a third, smaller Y group at would include outsiders and ave an odd number of members o avoid deadlocks.

o get members on the board, ade unions at the individual ompany representing 20 per cent f the workforce would ask for oardroom representation through secret ballot of all employees. A mple majority with not less than third of all employees in favour the validation. A joint presentation committee of all nions is set up. Worker directors ould be selected through the

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trade union machinery with *only* members "voting."

The Bullock report says the law "should merely lay on the recognized trade union in the company the responsibility to devise whatever methods of selection seem most appropriate." An industrial democracy commission would encourage participation and impose the "Y" element, where shareholders and unions failed to agree. A sum of £3 million (about $5.25 million) would be earmarked for training trade unionists for their new boardroom responsibilities.

The Bullock report argues that: "In the United Kingdom it is only at the level of representation on boards that there is a legal impediment to the extension of industrial democracy." It accepts that "it is through the trade unions that a large measure of employee participation had already been achieved" and that "the equal partnership of capital and labour...is the foundation of industrial democracy as we see it."

The Confederation of British Industry threatened to withdraw from the government's industrial strategy if the Bullock report were rushed into law

Offering its remedy for the British sickness, the Bullock report states:

"...the problem of Britain as an industrial nation is not a lack of native capacity in its working population so much as a failure to draw out their energies and skill to anything like their full potential. It is our belief that the way to release those energies, to provide greater satisfaction in the work-place and to assist in raising the level of productivity and efficiency in British industry — and with it the living standard of the nation — is not by recrimination or exhortation but by putting the relationship between capital and labour on to a new basis which will involve not just management but the whole workforce in sharing responsibility for the success and profitability of the enterprise."

The Trades Union Congress (TUC) immediately came out in support of the report, warning that the industrial democracy proposals are part of the social contract it has with the government. Len Murray, TUC general secretary, asked for the enactment of the Bullock majority report within 12 months.

The Confederation of British Industry (CBI) threatened to withdraw from the government's industrial strategy if the Bullock report were rushed into law. It refused to even

negotiate from the Bullock recommendations. Jan Hildreth, head of the Institute of Directors, said: "The Bullock Committee's proposals are irrelevant, dangerous and have about as much justification as the Emperor Caligula's idea of making his horse a consul."

Sir Derek Ezra, chairman of the British Institute of Management, said an imposed formula to give workers a bigger say in running the companies would be unacceptable. The institute favoured a flexible system of employee involvement in decision making, something that could be tailored to each particular firm.

The official Conservative party spokesman called the Bullock report "a political tract." He said it was "unrealistic, destructive" and guaranteed to set back the course of genuine participation in Britain by a decade.

Opponents claim the inquiry was rigged. The terms of reference given the committee were never *whether* there should be worker directors, but *how* it should happen. They charge that the membership of the committee was stacked in favour of the TUC view. It did in fact include Oxford don, Lord Bullock; two trade union leaders, Jack Jones and Clive Jenkins; TUC economic advisor, David Lea; and pro-union academics George Bain and K.W. Wedderburn. These six men were joined by a lawyer, N.S. Wilson and produced the majority report.

Toward the end of the inquiry, the three businessmen on the committee, N.P. Biggs, Sir Jack Callard and Barrie Heath, split to prepare a minority report. Their report — of markedly poorer quality than the majority — is so hedged about by restrictions as to evade worker directors altogether.

The unions themselves have as yet to close ranks around the Bullock report

The two-tier structure envisaged by the minority report is a pale reflection of the German model. The supervisory board would comprise one third employee representatives, one third shareholder representatives, and a final third co-opted from independents by the first two thirds. The employee directors would come from three specific sources: the shop floor, white-collar staff, and management. They would be elected by a secret ballot of all employees with a year's service. They would have to work in a firm which had employee councils for shop floor participation for at least three years. Each worker director would be required to have been with the firm for at least 10 years, to have served on the employee council for three years and to receive special training. Union membership would not be required for the worker director post. The tightly-drawn system of boardroom participation would take place only if all the unions agreed to it or two thirds of the employee council asked for it.

The British supervisory board would oddly not supervise or initiate policy. Its role would be limited to staying informed of the company's financial status and passing on management proposals to the shareholders.

Apart from the critical issue of parity vs minority representation on the top board, differences between the majority report and the minority report in the functions of the boards with employee representatives, are illustrated in the accompanying table.

The power-sharing that the Bullock majority suggests would give management a new legitimacy and fulfil the democratic imperative of permitting workers to participate in the making of decisions that affect them. Radical changes in industry would be easier to make and profitability would be ensured by a new and more efficient interaction of management and unions. However: "It is unreasonable to expect employee representatives to accept equal responsibility unless...they are able to have equal influence on the decision-making process," the majority report asserts.

Some argue that all these things could be achieved without parity. In fact, one of the seven signatures to the majority report — the lawyer — is of this view. Adding his own note of dissent on parity he rejected the 2X + Y formula and argued that employee representatives should be in a minority on unitary boards for the following reasons:

- Parity is not necessary to give employees a voice on the board.
- Parity would increase the risk of polarization and delay decision making.
- Minority representation would be less likely to appear as "disfranchisement" to non-union employees at home, and overseas employees (each nearly a quarter of the total).
- It would require less alteration to the size and composition of the boards.
- It would not involve the introduction of a third group of directors and resultant complications for subsidiaries.
- A parity demand, embodied in law, is beyond public opinion.

Majority	Minority
Exclusive right (which cannot be delegated) to submit resolutions to shareholders on:	• Approve appointments to board of management.
• winding up the company,	• Dismiss, if unanimous, members of the board of management.
• changing memorandum in articles of association,	•Approve remuneration of members of the board of management.
• recommendations on dividends,	• Receive regular reports and salient information.
• changes in capital structure,	• Have responsibility for submitting to the shareholders such matters as are required by law, including:
• disposal of a substantial part of the undertaking.	• winding up the company, • changing memorandum in articles of association, • making changes in the capital structure, • exceptionally large expansions or contractions, • disposal of a substantial part of the undertaking, • approving the annual accounts, • payment of dividends.
Responsibility for:	
• the allocation or disposition of resources not covered by the "exclusive right" section (which can be delegated)	
• appointment, removal, control and remuneration of managers, whether members of the board or not.	

ot surprisingly, the Bullock port took a beating in the British ess. "Industrial democracy volves the democratic pursuit of e strengthening of the business; ullock involves the non-demo- atic pursuit of the strengthening the unions. They could not be rther apart; they are indeed plain posites," *The Times* bemoaned. When one puts together the exis- ng powers and the claims to wer, they amount to a general aim to social, industrial and olitical dominance for the trade nion movement, and in particular r the leaders of the large trade nions. Perhaps 100 men are making a claim to run the country," the editorial concluded.

"The misleading feature of the Bullock report is that it proposes a significant step towards union control of industry while posing as the saviour of the mixed economy," *The Economist* said. It attacked the Bullock recommendation that the selection of worker directors should be in the hands of shop stewards as "the worst proposal in the whole report." Yet the magazine granted the dominate role that must be given the trade unions in any participation process. *The Economist* dismissed the minority report with derision. At one point the minority report insists that the supervisory board must not be "a watchdog without teeth" but then leaves it totally toothless.

The unions themselves have as yet to close ranks around the Bullock report. The largest union, the 1.9 million-member Transport and General Workers Union led by Jack Jones, is solidly behind it. The TUC believes the Bullock report squares with its own industrial democracy policy. But there are three major unions — the electricians, the engineers and the general and municipal workers union — who prefer participation through the extension of collective bargaining to include the whole range of corporate policy rather than boardroom representation. David Basnett head of the General and Municipal Workers Union said that the Bullock proposals risked appearing "irrelevant to the trade union movement."

The debate on worker directors in Britain has a serious gap. Only a few dozen workers have actually become board members whilst retaining their regular jobs. The few worker directors in the private sector are scattered and isolated. Those in the public sector are concentrated in only one firm — the British Steel Corporation.

In 1968, steelworkers were appointed to BSC "divisional" boards — not the main board as Bullock wants. Yet these divisions encompassed as many as 90,000 employees and none fewer than 47,000. The first four years were experimental. The workers were required to resign all trade union offices before taking up duties as directors.

"Initially, it seemed that no one connected with this employee director experiment could give to

us any clear lines as to what our actual role should be," one of the worker directors complained. "And because of this, we were left to develop it to the best of our ability".

There was indifference from trade unions and hostility from some managers, but the worker directors have survived. Today there are 17 of them, serving on the divisional boards.

By January 1972 the worker directors, together with the TUC steel committee and corporation officials, had hammered out a job description. As members of divisional boards, their basic function was to assist the managing director in running the division. They were to keep close links with the consultative and collective bargaining machinery. They were also to participate in main committees, subcommittees and working parties at works level, divisional level and national level.

The ban against their holding trade union office was lifted in 1972 and most of the men regained their old trade union positions — not a small feat after being away from these elected posts for four years. They have coped well with the conflicts between their directors' roles and trade union offices — some are shop stewards, others branch secretaries, and one, national president of his union.

The BSC worker directors will publish their own manifesto in May, demanding initially one third of the positions on the divisional and main board. Their nine-year experience on divisional boards has led them not to seek Bullock-style parity.

Although the Bullock inquiry was restricted to the private sector, the government may now use nationalized industries as an example of how the Bullock formula could work. Two million people are employed by the federal government, including the National Health Service and the Post Office, and nearly 2 million work in nationalized industries. Currently, the Post Office board and unions in the industry are drawing up an agreement for equal representation of management and workers in the Post Office, with independents holding the balance. It's a two-year experiment that could give the government a showpiece for Bullock parity.

The debate on worker directors in Britain has a serious gap

The publicly-owned car giant, British Leyland, is also a contender for being the first major company to implement the main recommendations of the Bullock report. The firm has already developed in its car and bus plants a system of participation which passed a 12-month road test.

The state-owned Belfast shipyard, Harland and Wolff, with 10,000 workers, began a move toward participation in July 1974. Already a full year off target, Harland and Wolff hope to have their restructured board on stream by this autumn. It will include five worker directors who will join five executives and five government nominees under the chairman, Sir Brian Morton. The big delay came after agreement on the method of selecting the worker directors among the shipyard's 13 unions collapsed. The present executive directors at H & W welcome the idea of worker directors. "We need their aspect of the business to merge with management expertise in forming policy," one director said. "If you turn them into pseudo-managers you will lose everything. They must stay in contact with their roots."

Across Britain there is now widespread public support for the idea of putting employee representatives on company boards, but there is open hostility to the Bullock proposal of leaving the appointment of worker directors in the hands of the trade unions. An opinion poll conducted for *The Sunday Times,* the day after the Bullock report was published, revealed that two adults in three feel employees should have board representation and only one in four think they should not. Among all adults 87 per cent preferred election by all employees and opinion among trade unionists was about the same — 84 per cent.

Trade unionists and the public at large are being made increasingly aware of the analogy between progress now towards industrial democracy and the extension of the political franchise in the 19th century. As the Bullock report observed in its closing words: "The fears expressed in the nineteenth century in face of proposals to give more people the right to vote did not stop short of the subversion of the constitution and the dissolution of society. Once the franchise was extended, however, the fears were forgotten and the Reform Acts were seen as essential to the country's stability and prosperity." lg

The Employee Stock Ownership Plan:

A democratic alternative to socialism

by Kenneth McDonald

Capitalism's weakness is that the owners of productive capital have failed to devise ways to spread the benefits of ownership among the employees who help to produce the wealth.

That failure has led to an artificial division in society. On one side are the owners of capital and the employees who serve as managers. On the other side are the people who are employed in the production process. The two groups have come to be known as management and labour.

The wealth that is generated by capital accumulates in the hands of its owners, but a portion of it, whether in the form of bonuses, of share ownership, or of deferred share purchase options, is diverted to salaried managers. Rarely is this facility extended to "labour". Yet the worker who sees only an arbitrary wage, unrelated to the success of the business as a whole, will be interested only in the wage, and not in the business.

This is the situation which has led unions to regard themselves as the adversaries of management in a perpetual battle over "shares". The unions' weapon in the battle is collective bargaining which, reinforced by the strike, by the closed shop and other devices, has enabled many union members to gain substantial wage increases. Though this may appear to be good for the union members concerned, the effect is inflationary.

Kenneth McDonald is a Toronto writer.

The wage increases result not from greater or more efficient production but from the collective power of unions.

The socialist response to the question of distributing wealth is for the state to control the economy. Whether by outright ownership of productive capital (as in the Soviet Union and its subject states), or by regulation, intervention and punitive taxation (as in Britain and Canada), the state siphons off earnings from the productive elements of society in order to "redistribute" them to other elements and to support its own bureaucracy in the process.

In other words, the socialists maintain that because private capital tends to be concentrated in too few hands, the ownership of capital by individuals should be abolished. The democratic alternative is not to abolish individual capital ownership but to spread it as widely as possible among individuals. The key is in making available to all workers the same tool of self-liquidating credit which enables production facilities to be expanded.

...the worker who sees only an arbitrary wage, unrelated to the success of the business as a whole, will be interested only in the wage, and not in the business

The principle, originated by San Francisco lawyer and author Louis O. Kelso, is currently applied by over 500 companies in the USA. Among those applying it in Canada are Canadian Tire, Dofasco, Shoppers Drug Mart, Simpsons, Simpsons-Sears and Supreme Aluminum.

When a company's successful enterprise creates the need for a new plant, the owners borrow the financial capital, i.e., the money, required to put up the new building and to buy the new machinery, i.e., the new productive capital. The bank accepts the existing assets of the company as security for the loan.

When the new plant is in operation, the earnings it generates are applied to repay the bank loan. The existence of the original wealth-creating entity enabled the second to be created, at no cost to the owners, and without any interruption in the continuous creation of wealth.

The democratic alternative to socialism is to make this principle of self-liquidating credit available to all workers. The vehicle devised by Kelso is the Employee Stock Ownership Plan.

Employees form a Trust to buy newly issued company stock by means of a loan guaranteed by the company. The company commits to make annual payments to the ESOP Trust to cover principal and interest payments of the loan. As the loan is paid off, the shares are allocated to employees by the Trust.

Employees have the choice of drawing the shares out of the Trust or of leaving them to accumulate against retirement. Either way they have acquired a second income from shares they own outright. And they have acquired them without risk — which is borne, as it always is, by the company — and without loss of pay, because the loan repayments are made from the company's pre-corporate tax earnings. (This is currently true only in the USA; not yet in Canada.)

To meet the risk of company failure — itself diminished by the introduction of employee incentive to prevent it — the loans required for ESOP formation could be insured by an Investment Diffusion Corporation. (See *The National Dilemma and The Way Out* by Winnett Boyd, BMG Publishing Ltd., Richmond Hill, Ont.)

Such a corporation, which awaits the initiative of Canada's financial community to form it, would also serve as the medium through which all adult Canadians, whether in public or private employment, could acquire stocks in the companies which form the underpinning of Canadian industry. Abitibi, Alcan, Algoma, Cominco, Consolidated Bathurst, Dennison, Falconbridge, Inco, MacMillan Bloedel, Noranda, Stelco and the rest are prime ingredients of the Canadian economy. While Canada survives so will they.

There is no magic about this, no trick, no "funny money". All that

Rather than abolishing the individual ownership of capital...the democratic alternative would spread its ownership as widely as possible among individuals

has occurred is the extension to non-owners of capital of the ability, which capital owners have always possessed, to insure their loans for the purchase of newly created productive capital. The result would be to remove capitalism's fundamental anomaly: That the workers who help to produce the goods (the "labour" part of the capital-labour team) have only limited power to buy them.

Employee stock ownership applies, to individual workers, the identical principle that enabled Henry Ford, and other well-known capitalists of the past, to succeed.

Rather than abolishing the individual ownership of capital — as the socialists and some of their union supporters advocate — the democratic alternative would spread its ownership as widely as possible among individuals. By becoming capitalists in their own right, and not merely ciphers in a government or union pension scheme, all would enjoy, as individuals, a share in the fruits of productive effort.

The Kelso technique offers Canadians the following advantages:

- reversing the present misallocation of resources to the non-productive government sector;
- enabling individual Canadians to acquire the security of a second income from their own capital stock;
- enabling foreign parent companies to divest themselves of branch plants or divisions by the voluntary action of their Canadian employees, while securing equitable compensation for the divestiture without involving government in the process. lg

The Financial Post

'So much for our Quality of Work suggestion.'

The new Quebec government's labour policy proposals

To date, all that is known of the new Quebec government's intended policy in the field of labour relations (aside from the Parti Québécois program dealing with this subject) has been gleaned from a number of infrequent statements made by either Premier René Lévesque or one of his ministers. First, there was the statement of principle made by the head of the newly elected government to the effect that his government would be favourably predisposed toward labour. This was followed by the inaugural address opening the spring session of the Quebec National Assembly. The speech outlined a number of guidelines and some of the initial positions adopted in the area of labour relations. It announced the intended revision of the Labour Code — to be duly preceded by the necessary consultations — and revealed that legislation would be enacted to guarantee unorganized low-income workers certain "basic working conditions". The address also announced the convening this month of a conference of representatives from the leading economic groups in Quebec. A document that appears to reinforce the government's statements of principle originated with Quebec deputy labour minister Gilles Laporte and was made public in February this year in the form of an informal address to a group of businessmen from the Saguenay region. It is not inconceivable that the substance of his proposals had already been worked out before the change of government on November 15. Finally, during a one-day symposium on industrial health and safety organized by the Quebec Federation of Labour, Premier Lévesque stated emphatically that unions would share the responsibility for drafting as well as implementing legislation on worker health and safety.

The following text is condensed from Quebec Premier René Lévesque's inaugural address, March 8, 1977, to the Province's National Assembly.

Healthy labour relations are essential to the well-being of our society, including our economic well-being. If progress is to be achieved, it is essential in Quebec and elsewhere, that the work environment and labour-management relations be maintained in as healthy a state as possible, and that even when disagreements arise, or perhaps I should say particularly when this occurs, a consensus be reached on at least certain inescapable realities and on certain well-defined limits that cannot be exceeded without producing more harm than good....

The government was quick to decide to respect fully the collective agreements signed by its predecessors. It has also scrupulously respected the autonomy of the parties while at the same time making every legitimate effort to hasten the settlement of bitter disputes within our universities, and to eliminate the worrisome tensions that pervade our law enforcement agencies. Very recently, moreover, the government agreed without hesitation to grant full rights to casual government employees.

Much more, of course, remains to be done. We will doubtless have to make far-reaching changes in the Labour Code in the near future. The need for such changes has long been felt.... Before embarking on such a project, the present government...is anxious first of all to be sure of its ground and to undertake all the necessary consultation. In the meantime, however, there are a substantial number of situations that can and must be rectified without delay.... Basic or minimum working conditions [have] for too long been denied a vast number of ordinary workers who thus far have no formal recourse open to them. [New legislation that the government plans to enact] will protect the basic dignity and security to which they are entitled.

This concern for the fundamental dignity of Quebecers underlies the government's commitment to take concrete action this year in an area to which it has given priority, namely, the health and physical safety of workers.

Very shortly, then, corrective measures will be taken in respect of, among others, the Workmen's Compensation Act and the Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries. In this regard, a number of the most urgent measures recommended by the Beaudry Commission must be promulgated without delay through Orders-in-Council. Most importantly, the standing committee on social development has undertaken to draft for the government, before the end of the year, general legislation that would define clearly and unequivocally the principles, structures and procedures governing the implementation of an effective policy in the field of industrial health and safety. There is no question that this policy of respect for the most important of

all of our resources, people, cannot help but lead to substantial improvements in all other areas, including the performance of the economy. It bears repeating that any economy in which the belief persists that machines are more important than men is doomed to failure.

In an effort to heighten public awareness of the interdependence of economic progress and the improvement of the lot of workers, the government decided to convene this May a conference of leading figures from the social and economic groups.

It is our hope that this conference will shed as much light as possible — and even bring about some agreement — on at least the most difficult and important points. The conference will mark the first time that a substantial number of the most authoritative spokesmen from labour, business, the co-operative movement and the public sector in Quebec will have been brought together in the same forum. Needless to say, it is hoped that members from all parties represented in [the National Assembly] will also attend the conference. No one is under the illusion that this conference might produce, as if by magic, the kind of co-operation which would lead to unanimous agreement. There are too many differences, disparities and persistent and distressing inequalities in our society for us to realistically expect that such agreement will be achieved immediately. Nevertheless, we are entitled to the modest hope that through this conference, we can begin to develop a mutual understanding of the problems and a genuine dialogue that may launch us on the difficult road to achieving that minimum level of social peace, the need for which is universally felt. lg

A universal code of labour standards for Quebec

Even before Pierre Marois, minister for social development, made public the intention of the Lévesque government to draft legislation creating a universal code of basic labour standards, Gilles Laporte, deputy minister of labour and manpower, dealt with this important subject on February 11 before a group of businessmen in the Saguenay region. His speech, condensed below, sheds some light on the scope of the proposed code, which he has reportedly been working on for the past two years.

Any improvement in the labour climate must necessarily be the result of legislation that favours unionization and more appropriate collective bargaining mechanisms; and legislation that creates a universal labour standards code.

Obviously, more extensive negotiation will remain the tool that is best suited to the particular features of each firm and therefore likely to lead to a better climate.

Employers and employees who are not affected by unionization are generally the ones who are least equipped to establish on their own the terms of their working conditions, despite the fact that these employers and employees are in close contact with each other, are more dependent on each other and sometimes share the same aspirations.

Non-unionized enterprises lack a frame of reference that would enable them to take advantage of progress made by organized labour in the search for industrial peace. Such a frame of reference could be provided by a universal labour standards code for Quebec.

A truly universal code would cover all employees in Quebec. The first innovation would consist of broadening the definition of the term "employee," and eliminating general exceptions based on the sector of activity, the nature of the enterprise or the work, or individual working conditions. This would eliminate the stumbling block posed by the legal interpretation of the term "employee," which is based on the narrow concept of legal subordination.

It should be possible at the same time to exempt from the application of the plan, in whole or in part, management-level employees and those who are in a situation where the observance or enforcement of labour standards would be impractical. Contrary to current practice, these exclusions should be permitted only under certain conditions and for a set time period, in order to ensure that they are re-examined periodically to determine their appropriateness.

Secondly, a labour standards code would set minimum or basic standards that would have to be met in every respect. Such a system would greatly alter the ground rules governing relations between employees and employers. Of course, this would not be the first code of minimum standards, but it would be the first

be applied universally, providing
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dual work contract, which would
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grievance arbitrator, or possibly
council of arbitrators, depending
the provisions of the collective
reement, would decide whether
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e established labour standards.

en a system of minimum labour
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am unless it were accompanied
a control mechanism offering
e greatest possible guarantees
effectiveness.

In this respect, the code would make it possible for employees to take an active part in ensuring that labour standards were observed. Such a practice would be consistent with the desire to involve employees as much as possible in the management of their work.

The code would give the Labour Court extensive powers in the issuance of directives on the manner in which labour standards are to be applied and on the collection of amounts due to the employee. It would match these powers with specific duties relating to the investigation process and could provide strict rules regarding the manner in which the legal body would be required to render administrative decisions. This would help to avoid the administrative chaos that was denounced vigorously by the former Ombudsman.

Finally, in order to simplify and speed up the process for ensuring observance of official labour standards, the decisions rendered by the Labour Court once filed with the clerk of the Labour Court, would automatically come into effect after a certain period of time. Thus, structured control mechanisms would be established and assigned specific powers and duties under the terms of the legislation.

Moreover, notwithstanding the right of the employee to appear before an ordinary court of law by virtue of an individual labour contract, it is the Labour Court that would have exclusive jurisdiction to hear all legal proceedings relating to the application of the proposed code, with the exception of civil remedies in execution, which would continue to come under ordinary law.

In view of the increasing complexity of problems related to working conditions, it would be preferable to confer legal sanction and control of administrative decisions on a special tribunal that would deal with labour questions on a daily basis rather than sporadically.

Mechanisms could be set up to enable offenders in certain cases to correct their behaviour before the sentence passed against them is applied. Moreover, the maximum fine should be large enough that the employers do not find it advantageous, as is sometimes the case at present, to pay a fine rather than observe the law. However, in order to make it possible for the court to assess on their merits all the circumstances of the cases submitted and consequently to set the appropriate fines, the code should not prescribe any minimum for the proposed fines.

In order to build a coherent code of labour standards, it would be necessary to take into account the experience gained in applying the provisions of the orders issued to date by the Minimum Wage Commission, studies dealing with basic working conditions and their application, and experience in collective bargaining. The standards derived from this examination would in no case be new standards in the field of working conditions; however, for the first time, these standards would, by the will of the legislator, be made universally applicable.

These standards could deal with such matters as determination of salary, payment of salary, rest periods, maternity leave, and conditions and compensation relating to termination of employment.

First of all, there would obviously be a prescribed minimum wage rate, to be based mainly, but not solely, on the evolution of salaries

negotiated in Quebec; this clearly implies that union activity would continue to exercise leverage in the development of labour standards in Quebec.

Furthermore, the individual's negotiated wage level could also be protected, thus providing the employee with a speedier alternative with respect to wage claims. With regard to wage protection measures, we could mention, among other things, the creation of a preferred claim on the employer's movable property for the salary due to the employee; the Civil Code permits such legal action, which would compensate for the absence of a general rule for protecting the employee's claim.

Overtime would be paid at time-and-a-half the usual rate; however, after a certain number of hours of overtime per week, the employee could refuse to work additional overtime. Standards relating to rest periods could guarantee the employee a daily break in addition to the meal break. The employee could also be entitled to a certain number of paid holidays per year.

Termination of employment could be linked to specific conditions, such as the setting of a definite time period in the event of dismissal (so as to avoid the ambiguous situation which now exists, as a result of the provisions of the Civil Code), and the employer's obligation to give the employee in writing the reasons for his dismissal, which would at least serve to dissuade the employer from camouflaging an unfair dismissal as a dismissal for cause. Moreover, the employer would be required to give the employee, on the latter's request, a document attesting to his work experience, so that the employee would be in a better position to obtain work from a prospective employer wishing to verify the employee's work experience.

Finally, the system could provide for maternity leave without pay for a period of seventeen weeks, along with a prohibition against dismissing a female employee solely because of pregnancy. Over one third of the labour force in Quebec is made up of women; maternity should not be a negative factor in their careers.

These proposals, which in my opinion would greatly help to improve the labour climate in Quebec through better working conditions, would not, with the exception of paid holidays, increase the total payroll of the enterprise.

The labour standards code would not cease to evolve after its adoption. Within a framework established by legislation, and in accordance with criteria prescribed therein it would be possible to formulate, define and amend the initial standards and even add new ones in the course of an obligatory review to be conducted at least once a year.

The standards would not, however, arise spontaneously; rather, they should be based on a report from the department of labour and manpower, which would draw on studies and analyses of collective agreements conducted by the bodies responsible for the implementation of the legislation.

The code should also specify that minimum wage rates and benefits applicable to a given period would be based mainly on the evolution of wage rates and benefits established by means of collective agreements in force in Quebec, and on the evolution of wage rates and benefits on the labour market.

The labour minister would transmit his report to the advisory council on labour and manpower, which should issue a notice within a prescribed time limit; the minister's report would then be submitted to the Lieutenant-Governor in Council for approval.

To ensure that employees and employers are adequately informed, no provision with direct financial implications could come into force without prior public notification of five months.

For non-unionized workers, this would mean the end of interminable struggles for minimum working conditions, in what has amounted to a fight for survival, and the opportunity to devote themselves to other priorities.

For the union movement, it would mean the establishment of a firm base, a point of departure for any future negotiation. It would also enable organized labour to devote more time to considering its role in the evolution of Quebec society.

For management, it would mean, without any significant additional costs, the creation of a relevant frame of reference in the area of working conditions — a frame of reference whose evolution would be foreseeable and which would undoubtedly help to create a healthier labour climate in Quebec. In gaining a healthier labour climate, management would gain positive, non-coercive means of increasing productivity, as the employees would no longer have to worry about minimum labour standards. Moreover, employers would find themselves on an equal footing with respect to working conditions, and the result would be improved competition. lg

Health and Safety

he following is from a report by Louis-illes Francoeur in the Montreal daily e Devoir.

he Quebec government intends o involve workers and unions in ne implementation of the acts and egulations that, in the coming nonths, will give concrete form to ne government's intentions egarding industrial health and afety as outlined in the inaugural ddress.

n a speech to some 500 union elegates attending the QFL's Quebec City symposium on vorkers' health and safety, Premier lené Lévesque defined the philo-ophy underlying the government's ecent announcement advocating shared responsibility" among overnment, unions and nanagement.

"You are the ones who must deal vith these problems, because you re the most directly affected by nem", Lévesque told the QFL elegates, in the first address ever iven by a premier to this labour rganization.

évesque went on to tell the dele-ates that they would have to ssume joint, and even primary, esponsibility for the implementa-ion of the proposed legislation. le described its preparation and nvited the trade unionists to articipate actively in this task.

"Continuing responsibility to be ssumed by workers in the field of afety is so much in line with the lesires of Quebec's central labour odies, particularly the QFL, that vhen QFL President Louis aberge, rose to thank the Premier, he made a point of stating that the latter had not set the tone for the symposium's working papers.

Lévesque, however, had seen the press release issued on the eve of the symposium. Referring to the statistics on deaths caused each year by industrial accidents and diseases, he termed the present situation a "long-standing scandal", and promised to use the power of his government to eradicate the effects of these "barbarities of industrial society".

Describing the Cabinet's philosophy in greater detail than had been done by Pierre Marois and Jacques Couture, the ministers responsible for social development and labour respectively, Lévesque indicated that the role of the government was to improve the laws, following a comprehensive policy, and to facilitate their application through appropriate financing. He did not indicate what part the government would play in the implementation of the laws, apart from its role as arbitrator.

In a footnote to his speech, which opened the conference, Lévesque stated also that management would have to assign greater importance to the problems of safety and health. With regard to QFL demands that management assume the full burden of the expenses arising from industrial diseases and from the modernization of safety equipment, the Premier explained that there was nothing new in this approach since the principle had been accepted by employers, who were already responsible for the consequences of accidents.

Finally, Lévesque reminded the delegates that the minister for social development had been given the responsibility for developing, by the end of the year, a comprehensive policy on industrial health and safety, drawing in particular on numerous earlier studies. The Premier stated that the government also intended to implement during the current session a number of the recommendations of the Beaudry Commission, in particular, those designed to remedy problems faced by union members in the asbestos industry and by the victims of silicosis. lg

Back issues of The Labour Gazette

A recent inventory shows that we have on hand — free for the asking — a limited number of copies of the following issues of *The Labour Gazette*:

1975: October, November, December.

1976: March, April, May, June, July, August, September, October, November, December.

1977: January, February, March, April.

Anyone wishing to receive any of the above may obtain them by writing to: Editor, *The Labour Gazette*, Canada Department of Labour, Ottawa K1A 0J2.

Labour legislation in Canada — 1976

Part 2: Human rights

by Cal McKerral

During 1976 several provinces extended their human rights laws.

Manitoba amended its Human Rights Act. "Age," "source of income," and "family status" are added to the anti-discriminatory grounds in the display of any notice, sign, symbol, emblem or other representation. Also, the prohibition extends beyond discrimination and now includes exposing or tending to expose a person to hatred.

Public accommodation, facilities, etc., must not be denied to any person unless reasonable cause for denial or discrimination exists. Reasonable cause does not include the race, nationality, religion, colour, sex, age, marital status, or ethnic or national origin of a person. Sex can be a reasonable cause if it relates to public decency.

In accordance with the law, refusal of any public accommodation, service, etc., is permitted where a person under the age of majority is not entitled to use the accommodation, service, etc., in question.

Family status and marital status are added to the grounds upon which occupancy of commercial or housing units cannot be denied.

"Family status" is now a prohibited ground for discrimination in employment and employment-related activities, and "political belief" and "family status" are added grounds in

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advertising for employment, pre-employment enquiries, and activities of employment agencies.

Distinctions on the basis of age, sex, family status or marital status can be made in the case of any employee benefit plan or any contract which provides such a plan if the Human Rights Commission is satisfied that the distinctions are not discriminatory. Distinctions can also be made regarding life insurance, accident and sickness insurance, and certain annuities where the distinctions are not discriminatory and the insurance or annuity could not be provided without the distinction being made.

The Human Rights Commission has three options after having investigated a complaint. It may request the Minister to appoint a Board of Adjudication to hear and decide the complaint; it may endeavour to effect a settlement and, failing settlement, may request the Minister to appoint a Board of Adjudication; or it may recommend that the Minister commence a prosecution for an offence under the Act.

For purposes of investigation, the Executive Director, any person with the Executive Director's written authorization, or the Board of Adjudication have access during normal business hours to any land, residence or business premises of any person with respect to whom there is reasonable and probable grounds to believe that such access will assist the investigation of the complaint.

Specific documents, correspondence and records relevant to the complaint may be inspected and copies or extracts may be made. Where access is denied, ex parte application to a County Court or Provincial Judges Court may be made for an order granting access.

Subject to appeal to the Court of Queen's Bench, the Board of Adjudication has exclusive jurisdiction and authority to determine any question of fact or law regarding whether or not the Act has been contravened, or for the making of any order pursuant to a decision rendered.

Where the Board of Adjudication decides that a party has contravened any provision of the Act, it may: make an order to secure compliance, order the offending party to make compensation to the aggrieved for lost income or expenses incurred by reason of contravention of the Act, or it may order the offending party to pay a penalty or exemplary damages to compensate for suffered damages in respect of the feelings or self-respect of the aggrieved.

The Board of Adjudication may file its order with the Court of Queen's Bench. Such filing causes the order to become a judgement of

iat Court. Previously, only that art of an order directing payment f lost wages could become a dgement of the Court. An order annot be filed with the Court until ppeal procedures have expired.

Political belief" and "family tatus" are added to the list of rounds, the contravention or ttempted contravention of which an be cause for an injunction to e issued for restraint by the ourt of Queen's Bench.

ew Brunswick amended its luman Rights Act to add physical disability" as a ground pon which discrimination is rohibited, and repealed the emale Employee Fair Remune- ation Act. Equal pay provisions re not explicit, but are deemed to e included in the general anti- iscrimination provisions in the luman Rights Act.

he New Brunswick Ombudsman ct also was amended to extend ne jurisdiction of the Ombudsman municipalities. Also, the mbudsman is protected against eing prosecuted or being ompelled to testify in any matter oming to his knowledge in the xercise of his functions, whether r not he was acting within his urisdiction, unless it can be hown that the Ombudsman acted n bad faith.

he Ombudsman is denied the ght to investigate until a statu- ory right of appeal or review, here it exists, has been xercised.

n **Ontario,** Bill 13, an Act to rovide for Certain Rights for Blind ersons was given Royal Assent n April 14, 1976. The Act prohibits ne barring of trained guide dogs ccompanying a blind person in ny public accommodation, facility r service, or in the occupancy of ny self-contained dwelling unit. Identification cards, which are prima facie proof, may be issued to the blind person and guide dog. Cards shall be surrendered, upon request of the Attorney General or designated officer, for amendment or cancellation.

A person discriminating against a blind person and his guide dog is guilty of an offence and on summary conviction liable to a fine not exceeding $1,000. A person posing as a blind person is guilty of an offence and on summary conviction liable to a fine not exceeding $100.

Another significant development occurred in the **federal** jurisdiction. On November 29, 1976, federal Justice Minister Ron Basford introduced Bill C-25, the Canadian Human Rights Act.

The Bill, a substantially revised version of its predecessor, Bill C-72, prohibits discriminatory practices and provides individuals with rights of access to and control over the use of personal information about them that the federal government uses for administration purposes. The Bill also contains provisions designed to restrain the Government's own information gathering activities.

Anti-discrimination provisions of the Bill would make race, national or ethnic origin, colour, religion, age, sex, marital status, physical handicap and a conviction for which a pardon has been granted, grounds upon which discrimination is prohibited. The prohibitions would cover all federal departments and agencies and any business or industry under federal jurisdiction (i.e., chartered banks, airlines, railways, etc.).

The activities to which the prohibitions would apply are:

- provision of services, facilities or accommodation generally available to the public;

- provision of commercial premises or residential accommodation; and

- provision of jobs, pay and promotions, and their advertisement.

The Act would also ban the transmission of hate messages by telephone. Any person or group of persons in contravention of this provision would be subject to a cease-and-desist order. Failure to comply would become grounds for contempt of court, penalties for which are up to one year in jail or a fine not exceeding $5,000.

The equal-pay-for-equal-work formula in Bill C-72 was changed and now equal work is defined as work of equal value. This change reflects the view that "work of equal value" affords a greater degree of protection against sex discrimination in the workplace.

A Human Rights Commission would be established in order to enforce the Act. The Commission would consist of a minimum of five and a maximum of eight members appointed by the Governor in Council. Removal of a member from the Commission would require an address to the House of Commons and the Senate.

The Commission could not only investigate complaints but could initiate them also. It could appoint expert tribunals to adjudicate in anti-discrimination cases. The tribunals would be empowered to issue enforceable orders. Failure to comply with such an order could become grounds for contemp of court. The Commission would also be empowered to carry out public educational activities. lg

Industrial and geographic distribution of union membership in Canada, 1975

Union membership figures in the following tables are compiled by the Labour Data Branch of Labour Canada. The basic data on national and international unions and their locals or branches are obtained, in the first instance, by Statistics Canada through the operation of the Corporations and Labour Unions Returns Act. These data, made available to Labour Canada through a co-operative arrangement, are supplemented by information collected directly by the Labour Data Branch from independent local organizations, from some unions that are not subject to the reporting requirements of CALURA, and from central labour bodies operating in Canada.

Aggregate statistical information on the labour movement in Canada is available in *Labour Organizations in Canada 1974-1975,* a handbook that contains statistical tables on union membership and a comprehensive directory of labour organizations active in Canada showing names of the principal officers, publications and the distribution of the locals. The statistical information sets forth Canada-wide totals by congress affiliation, type and size of union.

Table 1 gives the distribution of union membership by industry on the basis of the Statistics Canada Standard Industrial Classification (1970). The locals in Table 1 are non-additive, because many locals have members in more than one industry. The information in Table 2 lists, in alphabetical order, the names of the international and national unions and the independent local organizations that account for more than one tenth of the organized workers within each of the industry groups. All organizations active within any particular industry group are thus not necessarily shown — only those having more than 10 per cent of the union membership reported in the group. Finally, Table 3 shows union membership by province.

TABLE I — UNION MEMBERSHIP BY INDUSTRY, CANADA, 1975

INDUSTRY GROUP	NO. OF LOCALS	TOTAL MEMBERS	TOTAL FEMALE MEMBERS
AGRICULTURE	**52**	**3,613**	**383**
FORESTRY	**65**	**37,035**	**662**
FISHING AND TRAPPING	**28**	**3,493**	**42**
MINES, QUARRIES AND OIL WELLS	**239**	**62,226**	**940**
Metal Mines	118	42,614	596
Mineral Fuels	38	9,196	108
Non-Metal (except coal mines)	38	8,328	216
Quarries and Sand Pits	35	1,564	-
Services Incidental to Mining	10	524	20
MANUFACTURING	**3,868**	**864,656**	**163,022**
Food	352	88,306	24,483
Beverages	100	12,839	803
Tobacco Products	20	5,478	2,640
Rubber and Plastic Products	116	22,669	4,439
Leather	68	12,120	6,360
Textile	208	35,248	12,708
Knitting Mills	28	2,953	2,181
Clothing	125	50,489	38,884

ABLE I — UNION MEMBERSHIP BY INDUSTRY, CANADA, 1975 (Concluded)

NDUSTRY GROUP	NO. OF LOCALS	TOTAL MEMBERS	TOTAL FEMALE MEMBERS
Vood	165	48,444	2,664
urniture and Fixture Industries	106	17,874	3,726
aper and Allied Industries	407	87,113	6,754
rinting, Publishing and Allied Industries	198	30,226	5,203
rimary Metals	220	73,627	1,389
Ietal Fabricating	433	65,212	6,646
Iachinery	198	39,078	3,053
ransportation Equipment	263	125,927	8,227
lectrical Products	243	66,097	21,156
on-Metallic Mineral Products	229	32,462	3,412
etroleum and Coal Products	37	5,857	79
hemical and Chemical Products	237	24,761	2,149
Iiscellaneous Manufacturing	115	17,876	6,066
ONSTRUCTION	**649**	**282,760**	**2,760**
RANSPORTATION, COMMUNICATION AND OTHER UTILITIES	**2,471**	**425,861**	**65,539**
ir Transport and Incidental Services	146	27,150	6,900
ailway Transport	790	108,043	3,269
Vater Transport and Incidental Services	132	34,002	1,235
ruck Transport	146	45,027	570
uses and Street Cars	88	27,205	522
ther Transport	27	1,442	86
torage	54	10,365	1,063
ommunication	938	118,635	44,836
lectrical Power, Gas and Water Utilities	150	53,992	7,058
RADE	**468**	**124,801**	**39,494**
INANCE, INSURANCE AND REAL ESTATE	**53**	**6,103**	**4,465**
OMMUNITY, BUSINESS AND PERSONAL ERVICES INDUSTRIES	**2,453**	**638,057**	**369,461**
ducation and Related Services	856	313,323	161,740
lealth and Welfare	1,174	232,031	178,664
eligious Organizations	4	418	291
musement and Recreation	104	38,114	4,772
ervices to Business Management	41	4,289	1,166
ersonal Services	59	5,364	3,154
ccommodation and Food	109	37,339	16,272
Iiscellaneous Services	106	7,179	3,402
UBLIC ADMINISTRATION	**2,661**	**433,505**	**126,099**
ederal Administration	1,092	176,133	49,871
rovincial Administration	794	150,315	56,014
ocal Administration	774	107,006	20,214
ther Government Services	1	51	-
NDUSTRY UNSPECIFIED	**11**	**2,352**	**351**
OTAL	*	2,884,462	773,218

Non-additive

TABLE 2 — UNION REPRESENTATION WITHIN INDUSTRY GROUPS, 1975

INDUSTRY GROUP	UNIONS COMPRISING MORE THAN 10 PER CENT OF THE TOTAL MEMBERSHIP IN INDUSTRY GROUP (IN ALPHABETICAL ORDER)
AGRICULTURE	Agriculture Union-PSAC-(CLC) Commerce Federation (CNTU) Food Workers (AFL-CIO/CLC) Ontario Civil Service (Ind.)
FORESTRY	Carpenters (AFL-CIO/CLC) Woodworkers (AFL-CIO/CLC) Woodworkers' Federation (Ind.)
FISHING AND TRAPPING	Food Workers (AFL-CIO/CLC) United Fishermen (CLC)
MINES, QUARRIES AND OIL WELLS	
Metal Mines	Steelworkers (AFL-CIO/CLC)
Mineral Fuels	United Mine Workers (CLC) Steelworkers (AFL-CIO/CLC)
Non-Metal (except coal mines)	International Operating Engineers (AFL-CIO/CLC) Metal Trades, Mines and Chemical Products Union (CNTU) Steelworkers (AFL-CIO/CLC)
Quarries and Sand Pits	Building and Woodworkers Federation (CNTU) Cement Workers (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC) Teamsters (Ind.)
Services Incidental to Mining	Canadian Mine Workers (CCU) Labourers (AFL-CIO/CLC) Machinists (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC)
MANUFACTURING INDUSTRIES	
Food Industries	Bakery Workers (AFL-CIO/CLC) Food Workers (AFL-CIO/CLC) Teamsters (Ind.)
Beverage Industries	Brewery Workers (CLC) Distillery Workers (AFL-CIO/CLC) Teamsters (Ind.)
Tobacco Products Industries	Tobacco Workers (AFL-CIO/CLC)
Rubber and Plastic Products Industries	Rubber Workers (AFL-CIO/CLC)
Leather Industries	Boot and Shoe Workers (AFL-CIO/CLC) Clothing Workers' Federation (CSD) Food Workers (AFL-CIO/CLC) Leather and Plastic Workers (AFL-CIO)
Textile Industries	Textile Federation (CSD) Textile Workers Union (AFL-CIO/CLC) United Textile Workers (AFL-CIO/CLC)
Knitting Mills Industries	Clothing Workers' Federation (CSD) Textile Workers Union (AFL-CIO/CLC)

ABLE 2 — UNION REPRESENTATION WITHIN INDUSTRY GROUPS, 1975 (Continued)

NDUSTRY GROUP	UNIONS COMPRISING MORE THAN 10 PER CENT OF THE TOTAL MEMBERSHIP IN INDUSTRY GROUP (IN ALPHABETICAL ORDER)
lothing Industries	Amalgamated Clothing Workers (AFL-CIO/CLC) Ladies' Garment Workers (AFL-CIO/CLC)
ood Industries	Carpenters (AFL-CIO/CLC) Woodworkers (AFL-CIO/CLC)
urniture and Fixture Industries	Steelworkers (AFL-CIO/CLC) Upholsterers (AFL-CIO/CLC) Woodworkers (AFL-CIO/CLC)
aper and Allied Industries	Canadian Paperworkers (CLC) Paper and Forest Workers Federation (CNTU)
rinting, Publishing and Allied Industries	Graphic Arts Union (AFL-CIO/CLC) Newspaper Guild (AFL-CIO/CLC) Printing and Graphic Communications Union (AFL-CIO/CLC) Typographical Union (AFL-CIO/CLC)
rimary Metal Industries	Steelworkers (AFL-CIO/CLC)
letal Fabricating Industries	Machinists (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC)
lachinery Industries	Auto Workers (CLC) Machinists (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC)
ransportation Equipment Industries	Auto Workers (CLC)
lectrical Products Industries	Auto Workers (CLC) I.U.E. (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC) U.E. (CLC)
on-Metallic Mineral Products Industries	Cement Workers (AFL-CIO/CLC) Glass and Ceramic Workers (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC) Teamsters (Ind.)
etroleum and Coal Products Industries	Oil Workers (AFL-CIO/CLC) United Oil Workers of Canada (CCU)
hemical and Chemical Products Industries	Chemical Workers (AFL-CIO/CLC) Metal Trades, Mines and Chemical Products Union (CNTU) Oil Workers (AFL-CIO/CLC) Steelworkers (AFL-CIO/CLC)
iscellaneous Manufacturing Industries	Auto Workers (CLC) Steelworkers (AFL-CIO/CLC)
ONSTRUCTION INDUSTRY	Carpenters (AFL-CIO/CLC) Labourers (AFL-CIO/CLC) Plumbers (AFL-CIO/CLC)

TABLE 2 — UNION REPRESENTATION WITHIN INDUSTRY GROUPS, 1975 (Continued)

INDUSTRY GROUP	UNIONS COMPRISING MORE THAN 10 PER CENT OF THE TOTAL MEMBERSHIP IN INDUSTRY GROUP (IN ALPHABETICAL ORDER)
TRANSPORTATION, COMMUNICATION AND OTHER UTILITIES	
Air Transport and Incidental Services	Air Line Employees (CLC) Air Line Flight Attendants (CLC) Machinists (AFL-CIO/CLC)
Railway Transport	Maintenance of Way (AFL-CIO/CLC) Railway Clerks (AFL-CIO/CLC) Railway, Transport and General Workers (CLC) United Transportation Union (AFL-CIO/CLC)
Water Transport and Incidental Services	I.L.A. (AFL-CIO/CLC) Merchant Service Guild (CLC) Railway, Transport and General Workers (CLC) Seafarers (AFL-CIO/CLC)
Truck Transport	Teamsters (Ind.)
Buses and Street Cars	Independent Local Organization Public Service Employees Federation (CNTU) Transit Union (AFL-CIO/CLC)
Other Transport	C.S.D. Directly Chartered C.U.P.E. (CLC) Ontario Civil Service (Ind.) Teamsters (Ind.)
Storage	Grain Services Union (CLC) Railway Clerks (AFL-CIO/CLC) Retail Clerks (AFL-CIO/CLC)
Communications	B.C. Telephone Workers (CLC) Canadian Telephone Employees (Ind.) Letter Carriers (CLC) Postal Workers (CLC)
Electric Power, Gas and Water Utilities	C.U.P.E. (CLC) I.B.E.W. (AFL-CIO/CLC)
TRADE	Food Workers (AFL-CIO/CLC) Retail Clerks (AFL-CIO/CLC) Retail, Wholesale Union (AFL-CIO/CLC)
FINANCE, INSURANCE AND REAL ESTATE	Commerce Federation (CNTU) Office Employees (AFL-CIO/CLC) Ontario Civil Service (Ind.)
COMMUNITY, BUSINESS AND PERSONAL SERVICES INDUSTRIES	
Education and Related Services	C.U.P.E. (CLC) Ontario Secondary School Teachers' Federation (Ind.) Québec Teachers' Corporation (Ind.)
Health and Welfare Services	C.U.P.E. (CLC) Service Employees Union (AFL-CIO/CLC) Social Affairs Federation (CNTU)
Religious Organizations	Social Affairs Federation (CNTU)
Amusement and Recreation Services	Musicians (AFL-CIO/CLC)

TABLE 2 — UNION REPRESENTATION WITHIN INDUSTRY GROUPS, 1975 (Concluded)

INDUSTRY GROUP	UNIONS COMPRISING MORE THAN 10 PER CENT OF THE TOTAL MEMBERSHIP IN INDUSTRY GROUP (IN ALPHABETICAL ORDER)
Services to Business Management	Labourers (AFL-CIO/CLC) Office Employees (AFL-CIO/CLC) Teamsters (Ind.)
Personal Services	Barbers Association (AFL-CIO/CLC) Barbers Federation (Ind.) Laundry Workers (CLC) Teamsters (Ind.)
Accommodation and Food Services	Hotel Employees (AFL-CIO/CLC)
Miscellaneous Services	Office Employees (AFL-CIO/CLC) Service Employees Union (AFL-CIO/CLC)
PUBLIC ADMINISTRATION AND DEFENCE	
Federal Administration	National Component-PSAC-(CLC) National Defence-PSAC-(CLC)
Provincial Administration	Alberta Civil Service (CLC) B.C. Government Employees (CLC) Ontario Civil Service (Ind.) Québec Government Employees (Ind.)
Local Administration	C.U.P.E. (CLC) Fire Fighters (AFL-CIO/CLC)
INDUSTRY UNSPECIFIED OR UNDEFINED	Building & Woodworkers Federation (CNTU) Canadian Paperworkers (CLC) Service Employees International (AFL-CIO/CLC)

TABLE 3 — UNION MEMBERSHIP, BY PROVINCE, 1975

PROVINCE	NO. OF LOCALS	TOTAL MEMBERS	FEMALE MEMBERS
Newfoundland	339	57,456	12,723
Prince Edward Island	85	9,451	3,147
Nova Scotia	489	90,116	23,611
New Brunswick	482	74,478	20,187
Quebec	3,330	820,716	253,941
Ontario	3,914	1,083,576	264,299
Manitoba	563	128,252	37,561
Saskatchewan	421	80,776	25,275
Alberta	672	175,150	51,823
British Columbia	1,183	357,755	79,374
Yukon and N.W.T.	45	6,736	849
TOTAL	11,523	2,884,462	773,218

lg

comment

Essentials of an equal career opportunity program

Predominant among the reasons that women are not fairly represented along career ladders is the fact that most of the personnel practices employers hope will reflect their commitment to equal opportunity were built up within an earlier social context, and continue to mirror past values and restrict equal access to careers.

The main reason that even bona fide equal opportunity efforts have not met with greater success is, I believe, that too little attention has been paid to the mechanics of personnel practice, to the day-to-day factors affecting careers.

The following list covers what I consider to be the basic and essential elements of personnel practices intended to provide equal access to career opportunities (although a complete equal opportunity program would, of course, include other activities such as awareness training for male managers).

1. Develop and reinforce the career-related self-confidence of female employees by providing a supportive and encouraging environment.

This is the single most important challenge that must be met successfully. Many otherwise very poised and confident women unfortunately take themselves out of contention for career advancement possibilities because they are overcome by self doubt when it comes to accepting a higher level job. Many female employees also believe, for various reasons, that they would have little chance in competition with men. The prime responsibility of the organization serious about equal opportunity is to provide realistic mechanisms to promote confidence in pursuing careers among those who have or acquire the desire.

2. Extend "informal sponsorship" to female employees. Informal sponsorship is the time-honoured practice whereby a manager spots an employee with good potential and intervenes in some positive way in that person's career. This is a practice that is natural, fills a need and works well. It should not be discarded, but should also apply to female employees.

There are various reasons that to do so is more difficult than to agree in principle. For example, many female employees simply do not find themselves as members of the employee universe in which managers are likely to notice an up-and-coming employee. To cite a frequent example, employees concentrated in a typing pool or other support unit are unlikely to come to the attention of the potential "sponsor" who has little or no chance of assessing employees of such a unit as individuals.

Extending "informal sponsorship" to female employees basically involves upgrading the organization's capabilities for identifying potential. Here as in all other aspects of implementing equal opportunity the "how" is at least as critical as the "what", and the specific practices adopted to accomplish the upgrading must b designed in light of other valid organizational practices.

3. Provide a career counselling service. This program would play role in the development of self-confidence, would stimulate interest in careers, develop information about careers and career paths, provide information and, of course, offer advice and guidance.

4. Fill positions through self nomination or open posting. Female employees should be given opportunities to speak up f positions they might want. In add tion, the credibility of the equal opportunity program will suffer if appointments are decided in secret.

5. Evaluate performance and potential objectively. Personnel evaluation methods lacking in objectivity either in design or application provide a serious loo hole that negates equal opportunity efforts.

6. Apply the equal career opportunity program to all employees regardless of sex.

—R.W. Traversy
Policy Co-ordination Group, Labour Canada.

ob design and motivation

ate last year, *U.S. News and Vorld Report* published an interew with the author of an extenive study on job satisfaction, erald Susman, professor of Organizational Behavior at Pennsylvania tate University, who conducted umerous questionnaires to find ut how people feel about their ork. Although the studies are merican, they do bear note in anada as well.

usman reveals some amazing tatistics. For example, he finds hat almost 20 per cent of the merican work force is unhappy ith its employment. In rough gures, this translates into 13 illion dissatisfied working eople. The reason for this disatisfaction is not what you might xpect. Figures indicate that only small minority of "job haters" ite income as a problem. Most eel that talents and skills are not hallenged or used to their full otential. Money is seen as comensation for dull and boring work.

usman makes another interesting bservation about who is dissatised. People in "white-collar" posions often have the same feelings s those on the factory production ne. In fact, he suggests that the istinction between assembly line ork at the office *or* in the factory increasingly blurred. But as eople move up the ladder of uccess, and accordingly up the hain of command, there is less nd less dissatisfaction. Obviusly, more responsibility makes or a more challenging job.

ut, what Susman singles out as he most important factor affecting ob satisfaction is working condions or job design. Acceptable conditions in the work place are the vital ingredient for worker motivation and in turn, for job satisfaction — or at least absence of dissatisfaction.

Women workers, as a group are more dissatisfied with their jobs than men and Susman again makes an astute observation: women have traditionally been relegated to the more menial and boring jobs. However, Susman notes that this situation is improving.

He puts responsibility for working conditions in the hands of industry. It is the owners and the managers who must take on the task of creating interesting and challenging jobs. Susman points out that it is in the best interests of management to minimize worker dissatisfaction as it often leads to absenteeism. As all businessmen know, this is a costly side effect. Susman notes that many companies are taking affirmative action to improve the situation for women and other disadvantaged groups and that many employers are open to the idea of worker participation in decision making. However, skepticism prevails in both management and organized labour circles as to the value of co-determination.

Susman goes on to point out that the "personal" effects of job dissatisfaction on the individual worker are more important than the effects on business. The work situation affects both the physical and mental health of the "job hater." Family relations and leisure time are affected. For example, results point out that one of the best predictors of longevity is job satisfaction. Swedish studies in the same area confirm the fact that people who are satisfied in the work situation and people who have some degree of involvement in decision making are more effective and active participants in the community. It is clear that social and familial environments are directly affected by job satisfaction.

Here in Canada, the federal department of manpower and immigration has undertaken its own study on job satisfaction. The Work Ethic Study set out to establish the motivation for work of Canadians. The survey assessed the position of "work" in a personal hierarchy of values, the role of work in attaining personal goals, and commitment to work. In general, the study found that Canadians seem to be more interested in money than Americans. The desire for more money and for job security seems to increase with age. But the Canadian study concentrated more on the individual's desire or need to work. Results indicated that more than 95 per cent of the people surveyed would rather work than collect unemployment benefits, regardless of whether the person is satisfied with his or her work. Canadians are committed to work, choose work over most leisure activities and will choose to work during leisure time if the price is right. Canadian workers cited family, money and friends as the three most important goals in life. Work is seen as the means to these ends and not as an end in itself.

—Pam Wallin

Freelance writer and broadcaster, Toronto.

Books

Part-time Work in the Canadian Economy

by **Marianne Bossen,**
Labour Canada, 1975

Bossen's research on part-time work is the result of Recommendation No. 28 of the **Royal Commission on the Status of Women in Canada, 1970:** "That the federal government undertake a study of the feasibility of making greater use of part-time work in the Canadian economy."

The survey follows earlier federal government studies dating from 1967: *Part-time employment in retail trade, Royal Commission background papers on part-time work,* Bossen's *Manpower utilization in chartered banks* (including part-time work), and Kay Archibald's *Sex and the public service* (includes part-time work for the federal government).

Forty-two organizations — 26 private and 16 public institutions which are not identified — make up the sample of firms, crown corporations and governments for Bossen's latest study. They were selected by the federal Department of Labour from industries in the manufacturing and services sectors, which employ large numbers of married women, the largest single source of part-time workers.

Statistical tables identify part-time employees in the manufacturing and retail trades; transportation and communication facilities; financial institutions; community and personal service industries; and public administration at municipal, provincial and federal levels. Coverage for part-time employees in collective bargaining agreements, the advantages and disadvantages of part-time jobs from the employer's point of view, unions and government institutions and the availability, and limitations of, part-time jobs provide an overview of this work pattern in selected industries.

The International Labour Organization has defined part-time employment as "regular, voluntary work carried out during working hours distinctly shorter than normal." In Canada, this means less than 35 hours a week, which is the basic definition Bossen uses, but information was also collected on temporary or seasonal part-time employment. The author admits that "readily-available statistical information on part-time employment is minimal and spotty."

Bossen held interviews of two to three hours with personnel officers to secure her data. The results of her interviews indicate that most part-timers work in the retail trades, followed by municipal services. The fewest are in manufacturing. Opportunities for part-time work occur because of irregular working hours in retail stores, banks, suburban industries, and health services. She points out that part-time employment is likely to continue in these areas because of two economic considerations: the increasing demand for customer services, and the rising costs of administration. She notes that because of rising costs, some firms in the finance sector are studying and promoting structural change in offices in favour of part-time work.

In spite of these developments, however, part-time employees fac restricted opportunities in terms career advancement because government administrators, crown corporations and large private industries provide training and career development specifically f their full-time employees; it is understood that full-time work implies career commitment.

Mobility of status from part-time full-time also varies depending on whether part-time is a well-established feature in the work, such as in sales, health or food services, where continuous activities or peak periods are expected to occur.

Regular part-time work is limited or non-existent in program administration or administrative support services in government, although provincial and municipa government programs use part-time workers in all categories of manual, clerical, sales, technical and professional skills. Institutional obstacles such as paper work, and competitions, are cited Although innovative and unorthodox arrangements such a job sharing worked during the War, there is no incentive for managers to try new methods of regular part-time employment. Part-timers are usually hired through temporary employment agencies.

Summaries of federal and provincial legislation covering part-time employees indicate the considerable variation among the

ovinces in labour standards vering full-time and part-time rkers. The absence of a consis- nt pattern or definition of part- me work results in the unequal eatment of part-timers. In ntario, for example, employees ho work less than 24 hours a eek may be excluded from full- me bargaining units.

ne analysis of 12 collective greements in Bossen's survey at include clauses respecting rt-time work indicates that trade ions have strong reservations out part-time work or oppose it, ecause the protection of job portunities and pay rates for ll-time workers is their priority. is opinion is not representative all unions, however. The anadian Union of Public mployees, for example, has tablished a reduced per capita x payment for part-timers and as a policy of including part- mers in the same collective greement with full-timers, herever possible.

ne advantages and disadvantages part-time work and the naracteristics of part-time mployees in a selected range of occupations in this study are perceived from the employers' point of view. The inevitable result, on which some conclusions are based, is that part-timers are usually women who prefer an intermittent attachment to the labour force. A broader sample of the part-time work force is necessary, which should include the views of employees, and certainly the range of occupations in educational institutions where part-time options now occur. Also not mentioned in Bossen's study are recent successful applications of part-time work in federal government departments, and their benefit to both the employers and employees involved. An important distinction, however, is made between regular part-time work and temporary part-time work, and attention is drawn to the fact that the part-time work force is a diversified population with widely differing skills and motivation.

Despite the limitations of the sample, Bossen has identified the lack of labour standards, the lack of opportunities, and the attitudes which now equate the status of part-time employee with that of second-class employee. She has also directed attention to needed changes in pension systems so that phased retirement can be possible without the penalty of reduced pension allowances.

The priority now must be a rethinking of the function of regular part-time work to ensure equitable working conditions, and consideration for the needs and rights of both full-time and part-time employees. Also, the establishment of government projects on part-time employment can provide the experience on which to base policy changes. This has been a recurring recommendation since 1970 of status of women committees across Canada. And the deliberations of women's committees are undoubtedly as reliable as the perceptions of employers used in this contribution to the development of new work patterns in Canada.

— Evelyn Bayefsky

Evelyn Bayefsky is chairman of a sub-committee on part-time employment for the Toronto Board of Education and is a part-time reference librarian for the board.

Research Notes

llective bargaining

llective Bargaining, U.S. Council Wage and Price Stability, bruary, 1977.

b security and other non-wage ncerns will be the dominant sue in U.S. collective bargaining gotiations this year. Workers in e of the six major industries that ll be bargaining are among the higher paid hourly workers in the economy, and most of them have obtained increases well in excess of inflation in recent years. They can be expected, therefore, to give higher priority to protecting what they have already won than to additional large wage increases.

Earnings

Policy Review and Outlook, 1977, by Judith Maxwell. C.D. Howe Research Institute, March, 1977.

Between 1969 and 1975 the average Canadian enjoyed a larger increase in real purchasing power than people in other major industrial countries. The chief reason for this has been the decline in the number of dependants in most families, as many married women and young people have started

their own careers. As a result of trends in the birth rate, this decline is now coming to an end. Consequently, the average increase in real disposable income per capita will be smaller in the 1975-85 period.

Flextime

"Flexible Schedules: Problems and Issues" and other articles, *Monthly Labor Review*, February, 1977.

Flexible hours are proving popular with employees of a drug company, a computer firm, and a government agency, according to case studies reported in the U.S. Department of Labor's monthly publication. A summary article discusses the three case studies and lists problems relating to them.

Manpower

"Identifying Sources of Imbalance in Individual Labour Markets", by Noah M. Meltz. *Relations Industrielles*, Vol. 31, No. 2, 1976.

A two-stage approach is suggested for utilizing available data to identify the degree and sources of imbalance in individual labour markets. The framework is applied to three Toronto occupations — auto mechanics, sewing machine operators, and packaging hands — providing a basis for policy proposals to reduce imbalances in these occupations.

"La Main-d'oeuvre hautement qualifiée au Canada", by Avigdor Farine. *Relations Industrielles*, Vol. 31, No. 2, 1976.

Some 2.9 per cent of the Canadian population hold university degrees, though there are wide variations by province and industry. An analysis of occupations held five to ten years after graduation reveals that specific occupations may be held by individuals coming from a variety of trainings. This contributes to the complexity in analyzing the education-employment relationship and to difficulties in manpower forecasting.

Productivity

"Recent Developments in Aggregate Labour Productivity", by Larry Blain. *Bank of Canada Review*, January, 1977.

The decline in productivity in Canada during the 1974 recession was abnormally large. Moreover, the rapid improvement that might be anticipated in a recovery phase has failed to materialize. A possible explanation for this recent slowdown is "labour hoarding." There are some indications that employers were reluctant to release workers in what was forecast to be only a mild recession and an unintended accumulation of labour could well have continued into the recovery since the growth that occurred was again substantially below forecasts.

Economic Report of the President, Washington, D.C., January, 1977.

Over the past decade, U.S. productivity growth has shown a marked decline. This slower advance may have contributed increased inflationary pressures and may have led to lower growth in real wages. Slower growth in capital per worker, a larger proportion of less experienced workers in the labour force, and the changing industrial composition of the work force have all contributed to this slowdown.

Strike activity

"Strike Settlement and Economic Activity: An Empirical Analysis", by R. Swidinsky. *Relations Industrielles*, Vol. 31, No. 2, 1976.

Between 1912 and 1953, Canadian workers were at least partially victorious in two thirds of all disputes over wage increases. Strikes against wage reductions were somewhat less successful, as were strikes involving union principles. Least successful were strikes over hours and working conditions. Generally, union strik success tended to decline as the pace of economic activity increased. However, during inflationary periods, the probability of winning strikes was found to be greater.

"Distribution and Concentration o Industrial Stoppages in Great Britain". *Department of Employment Gazette*, November, 1976.

Over the years 1971-1973, only 2 per cent of the manufacturing plants in Great Britain incurred work stoppages in any one year. Of the plants which experienced stoppages, 5 per cent accounted for about one quarter of the total and a similar proportion accounte for two thirds of the working days lost.

Unemployment insurance

Comprehensive Review of the Unemployment Insurance Progra in Canada. Unemployment Insurance Commission, February, 1977

This study is the first major empi ical assessment of the impact tha the unemployment insurance program has had on the economy and society. The report examines the distribution of benefits by province, occupation, and indust and analyzes the extent to which the program has served to redistribute income between individua and family income groups. The study also estimates the impact o the proposed changes in the program's benefit structure and entrance requirements.

off legislation

éavis de licenciement collectif: périence québécoise", by Jean ton and Jacques Mercier. *Rela- s Industrielles*, Vol. 31, No. 2, 6.

ebec legislation requires any employer who, for technological or economic reasons, foresees having to lay off 10 or more workers, to give advance notice to the Minister of Labour and Manpower. From an analysis of the principles underlying the legislation, and from empirical study, the authors conclude that, while the legislation is a significant first step, it has shortcomings in principle and in practice.

The foregoing was prepared by Laurence A. Kelly, an independent industrial relations researcher and writer in Kingston, Ontario.

Additions to the Library

e publications listed below are cent acquisitions. They may be rrowed through a local library siness, university, public, etc.) directly — if there is no local rary — by writing to The Chief rarian, Labour Canada, Ottawa, tario K1A 0J2, indicating the thor, title and publisher.

vil service

dgetts, John Edwin. *Histoire ne institution; la Commission la Fonction publique du nada, 1908-1967,* par J.E. dgetts et autres. Québec, Les esses de l'Université Laval, 1975. p.

llective bargaining

atherford, John W. *Collective rgaining and the academic rarian.* Metuchen, N.J., arecrow Press Inc., 1976. 147p.

primer of collective bargaining academic librarians, based on author's experience as a negotor and his analysis of librarians' gotiations at twenty American iversities. Outlines future spects in collective bargaining for academic librarians and potential effects on their professional role and personal welfare.

Fringe benefits

Canada. Advisory Council on the Status of Women. *Fringe benefits.* Ottawa, 1976. 16, 16p. Titre en français: *Les avantages sociaux.*

A brief analysis of the ways in which women are discriminated against in present fringe benefit legislation. Makes suggestions toward further improvements.

Industrial relations

Montel, Jean Michel. *Transformations du travail industriel: éléments pour des scénarios de société,* rédigé par Jean-Michel Montel et Gérard Le Gall. Paris, Documentation française, 1975. 95p.

Rollier, Matteo. *The organization of work and industrial relations in the Italian engineering industry.* Geneva, International Institute for Labour Studies, 1976. 14p. (International Institute for Labour Studies. Research series no. 18)

Seidman, Joel Isaac. *Industrial relations systems of the United States and New Zealand: a comparison.* Honolulu, Industrial Relations Center, University of Hawaii, 1975. 18p. (University of Hawaii. Industrial Relations Center. Occasional publication no. 112)

Labour Supply

Smith, David Chadwick. *The dual labour market theory, a Canadian perspective,* by David C. Smith. Kingston, Ont., Industrial Relations Centre, Queen's University, 1976. 38p. (Research and current issues series no. 32)

Explores the dual labour market theory from a Canadian perspective as a potential source of new insights into the problems of low income and disadvantaged workers, and of new directions for Canadian labour market policy.

Labour turnover

Portis, Bernard. *Reducing labour turnover in the Canadian shoe industry.* London, School of Business Administration, University of Western Ontario, 1976. 52p.

An analysis of the extent, causes and costs of labour turnover in the shoe industry in Ontario and Quebec. Recommends procedures for reducing the high level of turnover, including improved initial selection of employees, more effective training of personnel, and the development of a higher degree of management skills.

Mediation and conciliation

Robins, Eva. *A guide for labor mediators,* by Eva Robins with Tia Schneider Denenberg. Honolulu, Industrial Relations Center, College of Business Administration, University of Hawaii, 1976. 96p. (University of Hawaii. Industrial Relations Center. Title 1, publication 22)

A guide designed primarily for persons entering the field of labour-management mediation and for persons without experience in public sector mediation. The process of mediation is explained, and some of the problems commonly faced by mediators of labour disputes are discussed. Case examples are used to illustrate specific techniques that may be employed at different stages. Recent developments in mediation techniques are summarized.

Productivity of labour

U.S. National Commission on Productivity and Work Quality. *Employee incentives to improve state and local government productivity.* Washington, G.P.O., 1975. 147p.

A survey of employee incentive programs in state and local governments in the U.S. Indicates the extent and types of usage of employee incentives, and gives examples by type. Guidelines for the design, implementation and evaluation of incentive programs are suggested. The study concludes with a discussion of problems associated with the use of employee incentives in government, including the lack of formal, systematic evaluations.

Quality of working life

Burbidge, John L. *Group production methods and humanization of work: the evidence in industrialized countries.* Geneva, International Institute for Labour Studies, 1976. 18p. (International Institute for Labour Studies. Research series no. 10)

Delamotte, Yves. *The attitudes of French and Italian trade unions to the "humanization of work."* Geneva, International Institute for Labour Studies, 1976. 14p. (International Institute for Labour Studies. Research series no. 14)

Delamotte, Yves. *The French approach to the humanization of work.* Geneva, International Institute for Labour Studies, 1976. 10p. (International Institute for Labour Studies. Research series no. 6)

Seashore, Stanley Emanual. *Assessing the quality of working life: the U.S. experience.* Geneva, International Institute for Labour Studies, 1976. 11p. (International Institute for Labour Studies. Research series no. 15)

Takezawa, Shin'ichi. *The quality of working life: trends in Japan.* Geneva, International Institute for Labour Studies, 1976. 20p. (International Institute for Labour Studies. Research series no. 11)

Thorsrud, Einar. *Democracy at work and perspectives on the quality of working life in Scandinavia.* Geneva, International Institute for Labour Studies, 1976. 15p. (International Institute for Labour Studies. Research series no. 8)

Weil, Reinhold. *Alternative forms of work organization: improvements of labour conditions and productivity in Western Europe.* Geneva, International Institute for Labour Studies, 1976. 25p. (International Institute for Labour Studies. Research series no. 4)

Women in labour unions

Wertheimer, Barbara, M. *Search for a partnership role: women in labor unions today.* Ithaca, N.Y., 1976. p.183-209. (Cornell University. New York State School of Industrial and Labor Relations. Reprint series no. 387)

A discussion of where women are today in the work force and labor unions in the U.S. Focuses especially on the new momentum which recently culminated in the formation of the National Coalition of Labor Union Women (CLUW). A number of key questions which particularly concern union women are discussed in the concluding section.

Work

Matejko, Alexander J. *Overcoming alienation in work.* Meerut, India, Sadhna Prakashan, 1976. 340p.

PRICES, EMPLOYMENT, AND EARNINGS

onsumer, March

e Consumer Price Index for anada (1971 = 100) advanced 0 per cent from 155.4 in February 157.0 in March, and was 7.4 per nt above its level of March, 1976. gher prices for petroleum oducts were responsible for out one quarter of this increase ile for the fourth consecutive onth, a rise in the food index ntributed to an additional one iarter. The food index increased 9 per cent and the index for all ems, excluding food, rose 1.0 per nt. The 0.9 per cent increase in e food index was due mainly to gher prices for fresh fruit, fresh ilk, coffee, bakery products and staurant meals. The index for od consumed at home advanced 3 per cent in the latest month d 4.7 per cent in the three-month riod between December 1976 d March 1977. Higher prices for th gasoline and fuel oil were a rge contributing factor in the 0 per cent increase in the index r all items excluding food. Price creases were also registered for any seasonal clothing items, ane fares, postage, cigarettes d in some urban centres for ectricity and local transit fares.

terms of goods and services, e price level of goods, including od, increased 1.2 per cent in the est month while that for rvices rose by 0.7 per cent. etween March 1976 and March 77, the price level of services dvanced 5.9 per cent.

ty consumer, March

nsumer price indexes rose in all regional cities in March, with increases ranging from 0.6 per cent in Quebec and Vancouver to 1.5 per cent in Saskatoon. Higher prices for petroleum products, fresh produce, restaurant meals, and postage were major contributors to these increases. Other important factors included higher prices for clothing, cigarettes and shelter. The percentage increases listed in all 14 regional cities in March were: 0.6 in Quebec and Vancouver; 0.8 in Thunder Bay and Winnipeg; 0.9 in Montreal; 1.0 in Calgary and Toronto; 1.1 in Ottawa; 1.2 in St. John's; 1.3 in Halifax, Saint John and Regina; 1.4 in Edmonton; 1.5 in Saskatoon. The percentage increases from March 1976 to March 1977 were: 6.7 in Thunder Bay; 6.9 in Halifax and Toronto; 7.1 in St. John's and Saint John; 7.2 in Vancouver; 7.7 in Calgary; 7.9 in Winnipeg; 8.0 in Ottawa and Saskatoon; 8.2 in Quebec; 8.3 in Montreal; 8.8 in Edmonton; 9.6 in Regina.

Employment, March

The seasonally adjusted national employment level in March was 9,672,000, an increase of 16,000 from February, Statistics Canada reported. The level increased by 15,000 for women 25 years of age and over and by 10,000 for women 15-24 years old. It declined by 8,000 for men 25 years of age and over but showed little change for men aged 15-24. By province, the seasonally adjusted employment level increased in Ontario by 12,000; in Nova Scotia by 5,000; in Newfoundland by 4,000; and in Quebec, Manitoba and Saskatchewan by 3,000. It decreased in Alberta by 7,000. In Prince Edward Island, New Brunswick and British Columbia there was little or no change.

Unemployment, March

The seasonally adjusted unemployment rate for March (856,000) increased by 0.2 per cent to 8.1 per cent. For men aged 15-24, the rate increased by 0.4 per cent to 14.9 per cent and decreased by 0.1 per cent to 14.1 per cent for women in the same age group. The rate increased by 0.2 per cent to 4.9 per cent for men 25 and over and by 0.3 per cent to 7.3 per cent for women 25 and over. By province, the unemployment rate increased by 1.0 per cent to 16.1 per cent in Newfoundland; by 0.9 per cent to 9.9 per cent in Prince Edward Island; by 0.7 per cent to 11.7 per cent in Nova Scotia; by 1.3 per cent to 14.3 per cent in New Brunswick; by 0.3 per cent to 10.0 per cent in Quebec; by 0.3 per cent to 7.1 per cent in Ontario; by 0.9 per cent to 4.6 per cent in Saskatchewan; by 0.5 per cent to 4.5 per cent in Alberta; and by 0.6 per cent to 8.8 per cent in British Columbia. In Manitoba the rate decreased by 0.3 per cent to 5.7 per cent.

Earnings, February

Average weekly earnings in Canadian industry were $241.30 in February, an increase of 9.7 per

cent from $220.02 a year ago.

Provincially, average weekly earnings, unadjusted, were highest in British Columbia, $274.34; Alberta, $254.57; Ontario, $240.16; Quebec, $235.74; Newfoundland, $232.70; Saskatchewan, $227.88; New Brunswick, $223.24; Manitoba, $219.66; Nova Scotia, $207.77; and Prince Edward Island, $187.92.

Average weekly earnings in February, by industry division, were: construction, $348.09; mining, $337.65; forestry, $333.71; transportation, communication and other utilities, $281.52; manufacturing, $257.55; finance, insurance and real estate, $222.12 trade, $185.12; and service, $167.64. Compared with February year ago, average hourly earnings increased 11.4 per cent in manufacturing, 11.3 per cent in construction, and 9.5 per cent in mining.

General minimum rates for experienced adult workers

Jurisdiction	Rates per hour
Federal	$2.90 effective April 1, 1976
Alberta	$3.00 effective March 1, 1977
British Columbia	$3.00 effective June 1, 1976
Manitoba	$2.95 effective September 1, 1976
New Brunswick	$2.80 effective November 1, 1976
Newfoundland	$2.50 effective January 1, 1976
Nova Scotia	$2.75 effective January 1, 1977
Ontario	$2.65 effective March 15, 1976
Prince Edward Island	$2.50 effective July 1, 1976 $2.70 effective July 1, 1977
Québec	$3.00 effective January 1, 1977
Saskatchewan	$3.00 effective January 1, 1977
Northwest Territories	$3.00 effective June 7, 1976
Yukon Territory*	$3.00 effective April 1, 1976

*Federal rate plus 10 cents.

Minimum wage rates for young workers and students*

Jurisdiction	Rates per hour	Effective date
Federal	Employees under 17: $2.65	April 1, 1976
Alberta	Employees under 18: $2.85	March 1, 1977
	Students under 18 employed part-time: $2.50	March 1, 1977
British Columbia	Employees 17 and under: $2.60	June 1, 1976
Manitoba	Employees under 18: $2.70	September 1, 197
Nova Scotia	Underage employees: 14 to 18 years $2.50	January 1, 1977
Ontario	Students under 18 employed for not more than 28 hours in a week or during a school holiday: $2.15	March 15, 1976
Prince Edward Island	Employees under 18: $2.20 $2.35	July 1, 1976 July 1, 1977
Québec	Employees under 18: $2.80	January 1, 1977
Northwest Territories	Employees under 17: $2.55	June 7, 1976

*New Brunswick, Newfoundland, Saskatchewan and Yukon Territory have special rates for young workers or students.

labour statistics

ncipal Items	Date	Amount	Percentage change from Previous Month	Percentage change from Previous Year
TAL CIVILIAN LABOUR FORCE*		(unadjusted figures, in thousands)		
Week ended February 19, 1977		10,222	+ 0.7	+ 2.4
Employed	February 1977	9,290	+ 0.3	+ 1.2
Agriculture	" "	428	- 1.1	- 2.3
Non-agriculture	" "	8,883	+ 0.4	+ 1.4
Paid workers	" "	9,249	+ 0.7	+ 11.2
At work 35 hours or more	" "	6,871	+ 11.2	+ 1.5
At work less than 35 hours	" "	1,912	- 26.0	+ 1.0
Employed but not at work	" "	506	+ 3.0	+ 6.0
		(change in thousands)		
Unemployed	February 1977	932	+ 43	+ 132
Newfoundland	" "	30	+ 1	+ 5
Nova Scotia	" "	42	+ 8	+ 13
Prince Edward Island	" "	6	+ 1	—
New Brunswick	" "	37	—	+ 6
Quebec	" "	303	+ 29	+ 48
Ontario	" "	316	+ 27	+ 54
Manitoba	" "	33	+ 2	+ 8
Saskatchewan	" "	21	+ 2	—
Alberta	" "	40	- 10	+ 3
British Columbia	" "	103	- 9	- 6
Without work, seeking work and available for work	" "	837	+ 59	+ 131
		percentage change		
DUSTRIAL EMPLOYMENT (1961 = 100)[r]	November 1976	145.8	- 0.3	+ 3.5
Manufacturing employment (1961 = 100)[r]	" "	127.6	- 0.8	+ 1.4
MIGRATION	Calendar year 1976	149,429	—	- 20
Destined to the labour force	" " "	61,461	—	- 24
RIKES AND LOCKOUTS ‡				
Strikes and lockouts	January 1977	95	- 20.9	- 38.4
No. of workers involved	" "	26,820	- 40.9	- 51.1
Duration in man days	" "	201,700	- 22.2	- 75.3
RNINGS AND INCOME				
Average weekly earnings (ind. comp.)[r]	November 1976	236.57	+ 0.7	+ 10.9
Average hourly earnings (mfg.)[r]	" "	5.98	+ 1.0	+ 13.3
Average weekly hours paid (mfg.)[r]	" "	39.1	+ 0.5	+ 0.3
Consumer price index (1971 = 100)	February 1977	155.4	+ 0.8	+ 6.7
Index numbers of weekly wages in 1961 dollars (1961 = 100)[r]	November 1976	154.3	+ 1.4	+ 7.4
Total labour income (millions of dollars) †	January 1977	8,987.7	- 2.6	+ 12.9
DUSTRIAL PRODUCTION ‡				
Total (average 1971 = 100)	January 1977	121.5	+ 0.2	+ 4.0
Manufacturing	" "	120.2	+ 0.6	+ 3.6
Durables	" "	122.1		+ 2.3
Non-durables	" "	118.4	+ 1.2	+ 5.0
W RESIDENTIAL CONSTRUCTION **				
Starts	January 1977	11,470	—	- 8
Completions	" "	14,564	—	+ 6
Under construction	" "	168,212	—	+ 14

Source: Statistics Canada. *Labour Force Information*, Cat. No. 71-001P and *The Labour Force*, Cat. 71-001
Advance data
Preliminary
Centres of 10,000 population or more
Revised

STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basis reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 1(more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the union dir ly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, are not cluded.

TIME PERSPECTIVE ON WORK STOPPAGES, JANUARY 1977

Period	Number beginning during month	Work stoppages in existence during month or year			Per cen estima work ti
		Number	Workers involved	Duration in man-days	
Year					
1971	547	569	239,631	2,866,590	0
1972	556	598	706,474	7,753,530	0
1973	677	724	348,470	5,776,080	0
1974	1,173	1,218	580,912	9,221,890	0
1975	1,103	1,171	506,443	10,908,810	0
1976*	913	1,030	1,582,631	10,624,130	0
1976*					
January	35	154	54,756	813,660	0
February	53	156	150,369	573,770	0
March	83	157	172,608	432,270	0
April	75	153	303,957	669,470	0
May	96	168	265,912	653,010	0
June	125	233	187,524	1,131,820	0
July	69	183	78,020	1,271,320	0
August	78	193	89,791	942,950	0
September	54	175	136,027	1,738,990	0
October	49	155	904,953	1,646,500	0
November	39	129	51,260	491,380	0
December	37	120	45,352	258,990	0
1977*					
January	40	95	26,820	201,700	0

*Preliminary

WORK STOPPAGES BY INDUSTRY, JANUARY 1977 (Preliminary)

Industry	Number beginning during month	Work stoppages in existence during month		
		Number	Workers involved	Duration in man-days
Agriculture	0	0	0	0
Forestry	0	0	0	0
Fishing	1	1	950	19,950
Mines	2	5	1,967	12,550
Manufacturing	19	51	20,041	123,460
Construction	2	4	144	1,060
Transp. & Utilities	5	9	743	8,300
Trade	3	11	417	4,800
Finance	0	1	50	1,050
Service	7	12	2,504	30,520
Public Admin.	1	1	4	10
Various industries	0	0	0	0
TOTAL	40	95	26,820	201,700

WORK STOPPAGES BY JURISDICTION, JANUARY 1977 (Preliminary)

Jurisdiction	Number beginning during month	Work stoppages in existence during month		
		Number	Workers involved	Du tio m d
Nfld.	1	1	950	19,
P.E.I.	0	0	0	
N.S.	0	1	23	
N.B.	2	2	225	
Québec	10	39	7,088	110,
Ontario	13	29	15,975	45,
Manitoba	2	4	487	5,
Saskatchewan	3	3	556	3,
Alberta	0	4	451	8,
B.C.	5	7	657	6,
Yukon & N.W.T.	0	0	0	
Total, provinces	36	90	26,412	199,
Federal Public Service(1)	0	0	0	
Federal Industries(2)	4	5	408	1,
Federal total	4	5	408	1,
TOTAL	40	95	26,820	201,

(1) Covered under the Public Service Staff Relations Act.
(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in the dispute.